The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

September 24, 1938

China Watches Europe

AN EDITORIAL

★

U. S. Policy Viewed

BY HU SHIH AND NATHANIEL PEFFER

★

How China Can Win

BY MAO TSE-TUNG

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A U. S. Loan for China?

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A Letter to America

BY YU ZWE-YUEN

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What People Are Saying

Comments from Readers on Current Topics are cordially invited; their opinions, however, do not necessarily represent the views of the *China Weekly Review*.

About Kiangsi Defenses

The Editor, *China Weekly Review*:

Perhaps your readers would be interested in knowing about defense preparations now under way in Kiangsi, data on which I have translated from the **Ta Mai Wan Pao**. Observations as stated in this journal are:

The Kiangsi war front is now a strategic point on which we focuss our eyes. For its past history and rare political environment, Kiangsi can not be measured by a common yardstick as to its power to hinder the invading force. Some, basing upon the unique characteristics in the province, hold that it is a mysterious place; still some are of the opinion that as a place noted for its history of battles years ago, it is advantageous geographically to the Chinese and that the Japanese are bound to be repelled.

We know that only by proper method we are able to make the people of use to the government. The Propaganda Department of the War Front Service Corps, has got by the same method no less than forty volunteers. The reason why these people would not volunteer themselves before the arrival of the Propagandists may be summarized as follows: (1) Lack of organization (2) Incompetency of lower grade officers (3) The abuse of people's energy before (4) The targetless air raid. These four reasons, we see, are not unredeemable. The only things needed are more capable workers. If more competent persons can offer themselves to remedy the insufficiency of government, if more service groups can be organized to help the wounded soldiers and lead the people, the war situation will be different.

As to military preparation and guerilla forces, Kiangsi deserves praise. In order to make it a permanent defense line, the government has tried by every means to strengthen and support the army. Trained citizens, Self-Preservation Corps and Peace Preservation Corps have been mobilized. In war zones these corps are to maintain peace and order, in lost districts they are to act as guerillas. The provincial government is to subsidize them financially to the full extent, so as to facilitate the work. Enough food and money have been stored in "safety zones" to support the armies in the front.

Under the leadership of President Hsiung, "four slogans" and "three principles" are known in the whole province. The four slogans are (1) No Japanese can walk on roads in Kiangsi (2) No Japanese can live in Kiangsi (3) No Japanese can eat Kiangsi rice (4) No Japanese can drink Kiangsi water; and the "three principles" being (1) Don't let the Japanese move easily (2) Don't let the Japanese eat comfortably (3) Don't let the Japanese sleep undisturbed. To carry out the "four slogans" people must (1) destroy the highways and railways, so as to make the Japanese mechanical units in-effective and support impossible (2) destroy all the houses in lost districts so as not to provide the Japanese with any place to shelter (3) move all the grain and stored goods to safety zones, so as to starve the Japanese if condition (1) can be fully carried out. (4) Fill up all the wells and destroy water sources, so that Japanese may be made thirsty.

This plan, owing to all sorts of difficulties, has not been brought about. President Hsuing has sent more competent men to assist in the work to complete the program. Women and children have been sent to safety zones, and men have remained in their home, all longing to see the Japanese "come living and back dead."

MARY LOH.

Shanghai, September 7.

Conditions in Changshu

The Editor, *China Weekly Review*:

Since the loss of my native city Changshu, I have only returned home once. One week ago, on important private business, I went back there and stayed for eight days. It was the first time I saw with my own eye and learned with my own ears the true "peaceful" condition in areas under the occupation of the "well-disciplined" Japanese Imperial Army.

Arriving there I was no longer familiar with roads and alleys as lots of them were littered with broken bricks and tiles. I felt myself a stranger to my native town. My home, being the most fortunate, was intact with the exception of a study-room burned. All the furniture and belongings were carried away. Even doors and windows had disappeared. Most of my precious books which I studied in my college course, were also torn into pieces.

For several weeks prior to my going back, the anti-cholera movement of the Japanese was vigorously and yet barbarously prosecuted. Every person was forced to have anti-cholera inoculation. In connection with the movement there were two cases which aroused public resentment. One student who went back for a visit to his home from here and had already such inoculation, was atrociously clubbed simply because he declined to have it twice. The other case was that a young lady who also had an inoculation. A large quantity of serum was inserted in her breast. It was learned afterwards that she died as a result of severe reaction.

The saddest thing is that the little active and innocent children are now beginning to receive slave-education. Even in primary school, Japanese is the subject of first importance. Chinese readings are mostly selected from very old novels without anything said about the Chinese nation.

The people who are in extremely deepest distress are the farmers. In almost all rural regions bandits are rampant. These bandits designate themselves as guerillas. Under this plausible name they are so audacious that they can openly do whatever they please. Each family no matter whether it is poverty-striken or otherwise is forced to contribute a certain amount per month, dogmatically assigned them by the bandits. Failure to hand in the payment demanded or tardiness to pay entails severe torture.

T. W. L.

Shanghai, Sept. 5, 1938.

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Formerly Millard's Review

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In re. IN THE MATTER OF THE ESTATE of ERNEST HIEBER, Deceased.	Cause No. 4355 Special Proceedings No. 2234 NOTICE Filed at Shanghai, China, September 19th. 1938. William T. Collins, Clerk.

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Shanghai, China
September 19, 1938.

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THE CHINA WEEKLY REVIEW

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A United Commercial Front

The Editor, *China Weekly Review*:

There is an urgent need among Shanghai's international business community for a united commercial front. Since the Japanese violated the Nine Power Treaty and the Kellogg Peace Pact and occupied China's Northeastern Provinces, foreign business in that area has been throttled, with firms forced to evacuate. Since 1931, Japan's obvious program has been the expelling of foreign business from Asia. Incidents beside the Panay bombing, and the attacks on C.N.A.C. and Eurasia planes are too numerous to mention. Now, a strong democratic front, composed of nationals of democratic nations, would be a means of combatting smuggled goods and ousting the invader. An example several years ago was when the UPT oil entered the Chinese market. SOCONY, TEXACO and APC banded together and closed the market to UPT. Nationalities here are too clique-ish. Support of each other's publications by British and Americans, would go a long way toward a closer unity. In this matter, China, a democratic nation, should not be overlooked.

T. V. K.

Shanghai, Sept. 20, 1938

American Compliments

The Editor, *China Weekly Review*:

Just a line to tell you that it seems to me I see **The China Weekly Review** quoted more widely at the present time than in any other time in its history. That, it seems to me, is a fine indication of how well you have succeeded in building up a publication that is considered an authority on Far Eastern affairs.

FRANK L. MARTIN,
Dean, School of Journalism,
University of Missouri

Columbia, Missouri, Aug. 25, 1938.

Escapes from War Zones

The Editor, *China Weekly Review*:

I thought you might be interested in the difficulty one has at times in escaping from the war zones. Since last December I have been in flight most of the time. My voyage in Chinese sampans from Nanking up-river was so adventurous that space will not permit me to describe its thrilling details. A month up-river to Hankow, and then Ichang; from there to Chungking. The pressure of the rapidly-growing population at Chungking is so great that the housing shortage is very acute. I trust conditions have improved in Shanghai, and best wishes to your valuable journal.

Y. Y. T.

Chungking, Aug. 21, 1938.

Disagrees with "Vox Pop"

The Editor, *China Weekly Review*:

It would be a great day for China if she would be at the end of this undeclared war and in a position to impose peace terms on Japan. Of those terms advocated by "Vox Pop" in the **Review** of Sept. 3rd issue, I heartily approve of items Nos. 1 to 12 inclusive, but am strongly against items Nos. 18 (cession of Paracel Islands to France), 20 (cession of Formosa to the Philippines) and 22 (recognition of the independence of Outer Mongolia). As China today is fighting Japan for her territorial integrity, why should she cede her Paracel Islands to France? Formosa being China's former territory, why should she cede the long lost but not forgotten territory to the Philippines? China loves Formosa not less than she loves her Four Eastern Provinces, and like the Eastern Provinces, Formosa is even today almost entirely inhabited by Chinese. Outer Mongolia is no more independent than "Manchukuo," and since China has stubbornly refused to recognize "Manchukuo," why should she recognize the so-called independence of Outer Mongolia?

A CHINESE.

Hongkong, Sept. 14, 1938.

Favors Refugee Campaign

The Commentator, *China Weekly Review*:

Your extremely interesting truth on what the "Night Club Chinese Public" ought to bear in mind should be a good lesson for every so-called patriotic Chinese. Only 10 minutes before I heard your excellent remarks, I saw hundreds of wealthy Chinese entering a night club, in automobiles, and a watchman at the entrance, with a cane hitting refugees who loitered in the compound. We have gambling joints packed to the doors where 98 per cent of the "Chinese Seekers" lose all their monthly pay roll, and they still keep on visiting these joints. The dog races are patronized only by Chinese, only about 40 foreigners attending the meetings. Perhaps your bold bid for assistance will wake up the Chinese to open a big campaign for refugees, called "Shanghai's Non-Hai Alai & Dog Race Goers' Campaign for Chinese Refugees." If such a campaign is started under this title, please call on me for $5.00.

"FIVE DOLLARS."

Shanghai, Sept. 17, 1938.

密勒氏評論報

The China Weekly

REVIEW

Formerly Millard's Review

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CHINA WATCHES EUROPE—JAPAN WILL "PROTECT" HER ALLIES!

CHINA today is anxiously watching the crisis in Europe. To the National Government the Czech-German quarrel—and the attendant developments—are of immediate and transcending importance.

In her latest adventure in Europe Germany is violating international law and historical precedent similar to the actions of the Japanese Army seven years previously. The technique adopted by Hitler in his anti-Czech campaign is strangely reminiscent of the method pursued by Nippon in seizing Manchuria and Jehol, flaunting Chinese authority in the north and, finally, embarking on a large-scale invasion of China. There are the same arguments of "defense against Bolshevism," the same campaign of "incidents" and intimidation, the same disregard for law and public opinion.

But it is not historical similarities which interest the Chinese National Government. Chinese leaders know that this country's destinies are—and have been for the past half a century—moulded in the chancelleries of Europe. When Europe was at peace, the powers fought each other tooth-and-nail for control of Chinese markets. When fear and tension reigned in Downing Street and Wilhelmstrasse, Japan made attempts to bring peace to China on the tip of a bayonet.

The Manchurian incident—which gave rise to a wave of international lawlessness—occured only because the Kwantung section of the Japanese Army in Manchuria felt safe in the knowledge that Europe was too pre-occupied with its own alarums to come to China's aid.

Japan's subsequent exploits were cannily timed to coincide with periods of international stress. While the Occident was wrestling with the greatest economic depression in modern history, Japanese troops goose-stepped into Jehol and crossed the Great Wall into North China.

While Britain and Italy were quarelling over Ethiopia, the Tokyo General Staff was putting finishing touches on plans for the commencement of hostilities which are now in their fifteenth month.

The close interdependence between the situation in Europe and China's destinies was made still more intimate with the conclusion of accords placing Japan, Germany and Italy under the common banner of opposition to the Soviet Union.

Each new development in Europe served to strengthen China's conviction that to protect herself she had to dispense with idle hopes of foreign assistance in favor of rearmament. The successful progress of this policy was arrested by Japan's invasion in July, 1937.

Neither Japan nor China can today ignore the events in Europe. Both know that they will willy-nilly be drawn into the Occidental maelstrom. Both realize the effect war in Europe will have upon their own fates.

When Konrad Henlein presented his ultimatum to Prague, Japan—with a fine sense of timing—at once made public her stand in the conflict. "In case of necessity," a spokesman of the Foreign Office said, "Japan will not hesitate to go to war to fulfil her obligations under the terms of the anti-Comintern accord."

Taking up the cue, Japan's subservient press, which only a year ago lustily lambasted the so-called anti-Red Pact, joined in protestations of undying affection for Nippon's fascist allies.

Japan would find herself "obligated" to extend her protection to Italian and German interests in the Far East in the event of an international conflagration, the *Miyako* said in an outburst of frankness.

While the Japanese people did not desire hostilities "of any kind" in Europe, they would pray for an Italo-German victory if such a conflict should occur, the daily added.

In the Far East, Japan would have to "check the activities of the opponents of Germany and Italy, not because of sympathy alone but also because of a definite obligation to do so," the journal declared.

Despite these seemingly unequivocal declarations, Japan's course of action in case of war in Europe remains uncertain.

It is quite possible that Japan will join her Fascist allies in an attack upon the world's democracies. It is equally likely that the Nipponese military clique will stay out of an international holocaust,—reaping all the advantages of a neutral and bearing none of its responsibilities.

If Tokyo decides on war, Nippon's first action would be to complete the seizure of foreign interests and property in China and to expel Britons from Hongkong, the so-called "Gibraltar of the Pacific."

Faced by no effective opposition from either France or Britain, Japan would seek to parallel her achievements of the World War, out of which she emerged with rewards greatly incommensurate with her sacrifices.

Nippon's greatest problem would be to avoid provoking Soviet Russia and the United States. The solution would apparently be easier than is generally believed, for neither of the two great Pacific countries desires to go to war at this time.

Moscow knows just as well as Tokyo that sooner or later their armies will meet on the field of battle. But the Russian military minds clearly realize that if the Soviet Union's chances of victory are good now, they would be still better a year from today, when Nippon's resources will near exhaustion as the result of the China hostilities.

On the other hand, peace between Japan and the United States will last as long as those strange bedfellows—Pacifists and Isolationists—continue to hold sway over the American public mind.

But there is seemingly a still greater possibility that Japan will not go to war whatever happens in Europe.

Straddling the political fence, Nippon can get more from each of the combatants than she can gain by resorting to force.

Pre-occupied in Europe, Britain would certainly not begrudge a few concessions Japan may claim as her price of neutrality. And if the Fascist bloc losses the war, Japan will collect her 30 silver pieces from the war-weary victors for betraying her anti-Red allies.

To China, the immediate outlook is gloomier. To wage a war of resistance against Japan the National Government must import most of its munitions, trucks, airplanes, railway supplies and fuel.

The moment guns thunder the commencement of the second World War on European battlefields, China will be left to her own resources—and Russia's. The Soviet Union will undoubtedly intensify its military assistance to China, but an army of a million men engaged in major hostilities cannot be adequately supplied with elements of war over a single highway, weaving its way over mountains, deserts, and the loess country of Shensi and inadequately serviced with gas, oil and spare parts for trucks.

The only effective assistance must take the form of a Soviet military thrust into Manchuria and North China from the Outer Mongolian Soviet Republic. Such operations would immediately compel the Japanese high command to rush its troops from the Yangtse valley northward, giving China an opportunity to reorganize her troops and start an offensive.

But—the border clashes at Chankufeng notwithstanding—Russia is not likely to go to war with Japan for at least another year.

Dark as this picture may seem on the surface, there are many factors favorable to China. One of these is the knowledge that Gen. Chiang Kai-shek has supplies of ammunition, arms and fuel for another year of war stored in well-guarded depots in Szechuan, Kweichow, Kwangsi and Yunnan.

It is also expected that new Soviet bombers—sufficiently fast to outspeed Japanese pursuit craft—will be received by China in the near future, to assist the national troops in disrupting Japanese lines of communication and in bombing Japanese naval and troop concentrations. These aircraft will be manned by many hundreds of young pilots now receiving thorough instruction at several schools of aviation in Yunnan, Kwangsi and other points.

Having proved their worth in the past year, guerillas scattered throughout the nominally Japanese-occupied territory will intensify their activities in the months to come. The alarm with which the Japanese are viewing these operations has been amply demonstrated by the dispatch of many thousands of fresh troops to North China in the past few weeks to combat partisans.

Come whatever may in Europe—the Chinese say—this country is in a position to continue resistance on a major scale until next Spring. By that time, Russia may be ready to strike or Japan may become involved in a war with Britain and France.

If neither of these possibilities comes true, China will still be able to combat Japan by resorting to guerilla warfare on a still greater scale. Chinese leaders have become reconciled to the loss of Hankow in six or eight weeks from this date. Not without sound reason they feel that to Japan the occupation of another city is valueless unless she can pacify the countryside and put into operation her ambitious plans for the exploitation of China's economic resources.

But—the Chinese point out—the example of North China proves this impossible. The Japanese will undoubtedly hold the major cities they have captured. They will control the main railways and waterways. But the country as a whole, the 400,000,000 people who produce, buy and sell, still remain opposed to the invaders.

In this fact Chinese leaders find their main hope for an eventual victory, their antidote for the bad news from Europe.

SHANGHAI FOREIGNERS ARE ALSO WATCHING EUROPE!

AT no place in the world, aside from the areas immediately affected in Europe, is there deeper concern in the Czech-German issue than in the International Settlement and French Concession at Shanghai and the foreign concessions at Tientsin and Hankow.

Thousands of foreigners residing in these foreign-administered areas read their newspapers, listen to their radios, talk to their neighbors and speculate on what the future may have in store.

Most worried are the thousands of Russian Emigres, who wonder whether their homes here are to be disrupted, as they were by revolution in their home land two decades ago and again in Manchuria seven years ago. Even the Germans, whom the Japanese will protect! "But deliver us from Japanese protection," declared a German merchant who was driven from Manchuria by the Japanese influx seven years ago, and again forced to flee from Nanking where his place of business was looted and burned last fall. "Respect our flag! Bah!"

Activity at the foreign banks during the week indicated the uneasiness. Germans and Italians were depositing their money in the Netherlands bank, while Chinese and many Englishmen and Frenchmen were putting their money in American banks for safe-keeping. One excited German rushed to the Hongkong and Shanghai Bank and inquired of the cashier, "What will happen to my money if war is declared?" The Briton replied, "Confiscate it of course." One Chinese deposited and withdrew his money from six different banks in three days, finally depositing what was left in one of the American banks.

So many persons visited a certain foreign military official and questioned him about "what is going to happen," that he lost his patience and replied, "I have no more knowledge about what may happen than that coolie standing in the street. My advice is sit tight and keep quiet."

Among the rumors circulating about the city were the following: (1) The British will evacuate to Hongkong; (2) The French will not evacuate but will defend their concession; (3) The Americans, or at least those who elect to do so may take another trip to Manila; (4) The Japanese will take advantage of the situation to grab everything British and French they can lay their hands on. But most significant was a dispatch from New York published in the *Asahi* (Tokyo, Sept. 16)—"If Japan takes sides with Germany in the European conflict, the United States will defend the rights and interests of Britain and France in the Pacific, thus bringing the navies of Japan and America into direct frontal opposition . . . the situation will not be beneficial to Japan!" And another rumor we almost overlooked, the French authorities will turn over their concession to the Americans, thus enabling the Americans to take direct possession of Blood Alley which their navy men have supported for several years.

A SLIGHT TOKEN OF FRIENDSHIP

The Rockfeller Foundation gave Japan U.S.$2,000,000 to build a medical center. Recently the foundation received a note from the Japanese government complaining that the sum was inadequate because costs had risen. The letter asked for an additional U.S.$200,000, as a gesture of "American friendship for Japan."—*The Nation.*

The Need for a Change in American Attitude and Action

BY NATHANIEL PEFFER

(*Reprinted from Amerasia Magazine, N.Y. for August*, 1938.)

THE time has come, I think, to re-examine the bases of American policy toward the Far East.

Let me say at the beginning that I have not been one of those who believed in intervention, either directly or as the result of some antecedent step. I may take the liberty of reminding readers of *Amerasia* that in these pages I wrote last Autumn on returning from the Far East that America could choose only between going to war and not going to war. Sanctions and embargoes unless universally applied would be only preliminary to war. And I was opposed to war, on the grounds that it was too horrible a price to pay except for survival and that if China were saved from Japan by the efforts of a third Power it would be laid under obligation that it could discharge only by subservience to that Power, whereas if it repelled Japan by its own efforts it would have demonstrated that imperialistic encroachments were no longer feasible. China would be substantively independent and the international conflict for priority in China, with all its menace to world peace, would be over.

This reasoning I still believe to have been valid then. But it would be doctrinaire blindness or fatuous devotion to consistency to maintain that a year of war has made no difference and that America's position is and should be now exactly what it was a year ago. For three things have happened in that year to change the nature of the problem that the Far East presents to the United States.

One. In that year American rights and interests in the Far East have been treated with scorn and overtly violated. I do not mean the sinking of the *Panay* only. I mean the continuous pin-pricking in cities like Shanghai, the mistreatment of foreigners, the arbitrary closing off of districts to foreigners contrary to all law, the direct or indirect infringements on the economic rights of foreigners and the manifest intention to shut off to foreigners any future economic opportunity in China.

Two. The manner in which Japan has conducted the war has outraged every American sense of decency. Of Japan's conduct of the war the word barbarity is too generous a description. The word bestiality is more accurate, even etymologically more appropriate. I do not mean only the bombing of undefended towns and villages. I mean the indiscriminate killing, looting, burning and raping that has followed every Japanese victory. Hardened as this generation has become to cruelty and human suffering, hardened as a cancer specialist must become, the abominations of the Japanese invasion have proved revolting. And to the American of any sensitiveness it cannot be without humiliation that America has legally but also effectively contributed to these abominations by selling to Japan the instruments of abomination. Legally America's position may be unimpeachable; but the effect has been to abet the Japanese soldiery in plundering, looting, killing and raping. The fact is that America has sold more materials to Japan than any other nation, and the fact must make any American squirm, however correct the position of his country may be in international law.

Three. In a year of war Japan has been markedly weakened. It has not succeeded in subduing China. It is now mired, perhaps inextricably mired, in China. It has destroyed or enervated its sinews of war. It is now measurably less formidable than it was a year ago. For the first time since the world War there is a prospect of safeguarding the world from the threat to its peace and welfare that Japan has undeniably constituted since then.

Before proceeding to the deductions to be drawn from these three developments it is better to get ourselves cleared as to the first premise. It is idle to pretend that America has at any time desired anything except the defeat of Japan in this war. In that respect its interests and its reasoned and instinctive preferences coincide. Its national existence has not yet been sufficiently jeopardized to warrant the supreme sacrifice of war, but that a Japanese defeat would contribute to its material security and its sense of human values is almost a unanimous belief. In this war this country is anti-Japanese. It wants to see Japan defeated. Short of war until there is no other recourse, it would and should help encompass that defeat. And everything that has happened in the last year has strengthened that desire, added to the provocation and made opportunity.

The times has come for these to be given effectuation, for reevaluation of American policy in the Far East and translation in the form of concrete measures. What measures?

First. The most obvious is succour to Chinese civilians in the form of relief. What is generally acknowledged but not openly avowed is the scandalous failure of America to respond to the need in China, the indifference to the humanitarian appeal of the ghastly suffering in that country. This is the one niggardly episode in recent American history, one in which the country can take shame and which must be redressed.

Second. A renewed campaign must be launched for individual boycotting of Japanese goods. It must be borne in on every American citizen that every cent he spends on any commodity imported from Japan is his addition to the cost of a bomb that wipes out some peasant's hut and kills his wife and children. The arguments that might be made against individual boycotts a year ago no longer hold, now that we have seen how Japan makes war. The state of international law and the complexity of international relations may constrain countries sometimes to be unwilling accessories to a war; but they should not be permitted to do so when the war is of the kind waged by the Japanese.

Third. And more important. The time has come for a fresh address to the question of selling war materials to Japan—either munitions or materials essential to munitions. For one thing, no legal rationalising, no philosophical detachment can blur the realization that the United States is and has been for a year accessory after the fact of a war of invasion, a war carried on with a maximum of cruelty, in violation of every articles of even the elastic moral code of war. Nor does acquittal at law absolve America from responsibility for the result. Moreover, in supplying Japan with the means of attempting to conquer China America has been conniving at its own detriment. What has happened to foreign interests at Peiping, Tientsin, Shanghai foreshadows the fate of American interests in the event of Japanese victory. Furthermore, with the rapid exhaustion of Japanese reserves Japan becomes increasingly dependent on American sources of supply and by so much vulnerable to American decision on continued purveyance. Increasingly, then, America becomes Japan's armory for the forging of weapons in the long run directed against itself. It should renounce the role.

The mechanism of the law is an obstacle. Official embargo may still not be practicable. But it is necessary to begin to convass possibilities for bringing about a cessation of the flow of materials to Japan without contravening the law or definitive new legislation. Provisions for licensing arms shipments offer one means. The kind of pressure that can be levied by the government to prevent loans to foreign governments is another, if levied in the matter of sales of munitions or materials for munitions. There is still a third. The same end can be achieved as a matter of reprisals.

There has been ample ground for reprisals in the past. There will be others in the future. Japan already stands as violator of contractual obligations to the United States, Japan has broken the Nine Power Treaty and the Kellogg Pact. Japan has committed open offenses such as the sinking of the *Panay*. It is within the right and the power of the American Government on the occasion of every derogation of American rights or offense against American persons or property to declare by executive order or congressional resolution that in reprisal therefore the export of some commodity will be forbidden. If the Japanese refuse to permit Americans to return to Nanking, as it actually has, in complete violation of all treaty rights, America retaliates by shutting off the supply of copper. If Japan refuses to evacuate American property such as hospitals, colleges and missions—as it does—American shuts off the supply of iron. If Japanese officials announce that extraterritorial rights are not valid for Americans in zones under Japanese occupation, thus unilaterally abrogating treaties *between China and the United States*, American shuts off the supply of automobiles. If Japanese military refuse to permit Americans to return to their places of business in the Hongkew and Yangtszepoo districts of Shanghai, as they do, the supply of something else is shut off. There will be ample opportunity. The offenses of Japan, offenses under international law, are infinite. It is necessary only to read half a dozen issues of the *North China Daily News*. The dossier of the Department of State must be of prodigious thickness. The means are less important than the end, which is that America must cease being the provisioner of the Japanese Army in an aggression abominable in itself and working toward America's injury. The means can be found and they must be found. And organized efforts must be made to find them and to have them put into effect.

Fourth. The possibilities must be canvassed for giving China unofficial but substantial aid in the form of credits. One such possibility is the organization of a syndicate with a mutual or pooled guaranty of credits for purchase of supplies. We have resorted to much more "uneconomic" devices for disposing of surplus products or commodities before, devices of at least as poor a risk. There are industrial enterprises in the United States which would be willing to join, either because of a sympathy with China or a desire to cultivate China's good will and get in on the ground floor of future development or a willingness to run a risk which is no greater than that of glutted inventories. They should be recruited and mobilized. Here, too, the means are less important than the end.

It is not my object here to go into the details of executing policy. I wish to raise questions of policy, to reexamine the bases for decision on the Far East now that the war between China and Japan enters its second year. It is time to do so. America might still be able to continue as a detached spectator of one of the most tragic and brutal wars of modern times. Perhaps it may be able to do so. But it cannot continue to be an indirect participant—a participant on the side of Japan. For willingly or unwillingly, with or without intent, consciously or unconsciously, America's strength in this war has been coast on the side of Japan. And that must cease. If America cannot and will not help China. it must cease to help Japan, even where such help is not so intended but follows from normal processes. The normal processes then must be arrested. It is to America's interest to do so : as I say, Americans would count Japanese defeat an advantage to America. It is in America's desire to do so : as I say, almost unanimously the American people have been revolted by Japanese excesses.

A year of the Far Eastern war has brought a dividing line. That which was valid a year ago, when we could not foresee what that war would be, is no longer valid, now that we have seen the kind of war it is. The changes brought about in a year should be reflected in changes in American attitude and action. Concretely America must cease even inferentially assisting Japan to subjugate China. It must do so in the national interest. It should do so out of national decency.

What Can America Do in the Far East Situation?

BY HU SHIH

The following is the text of an address which was delivered over the Columbia Broadcasting Network in New York on June 24 and published in Ameriasa Magazine for August. Dr. Hu Shih has just been appointed Ambassador to the United States in succession to Dr. C. T. Wang, who has resigned.

"THIS is my proposition : While I fully sympathize with your nationwide desire to keep out of the war, I cannot help thinking that mere negative pacifism without being backed by a constructive peace policy is never sufficient to guarantee to you the peace you so dearly desire. What China expects of America—indeed what the whole civilized world expects of America—is an active and positive leadership for international peace and justice, a leadership to prevent wars, to call a halt to aggressions, to plan and cooperate with the democracies of the world to bring about collective security, and to make this world at least safe for humanity to live in.

"I am sure that the people of this great republic have enough imagination to realize that this country is sufficiently powerful to undertake such active constructive leadership for peace without incurring the risk of being involved in international intrigues and wars. On the contrary, it may turn out that such active international leadership may be after all the only effective means to achieve the end of keeping yourselves out of the war.

"When 32 years ago, a great American President called a halt to a bloody war and brought about peace between Japan and Russia, did he thereby involve this country in a war ?

"When again 17 years ago, the American Government called the Washington Conference which gave ten years of peace to the Far East and which put a brake on the rivalry in naval armaments for ten years, did it thereby involve this country in a world war ?"

That was what I said to the American nation nine months ago. During these nine months three sets of events have developed in connection with the Far Eastern situation, and I am sure these developments have not escapted your notice. First, China has been literally bleeding to death. There have been one million war casualities, including the killed and wounded. There are now, according to most conservative estimates, at least 60,000,000 civilian sufferers who are fleeing the

armies of the invader and are roving the country without shelter, without medical aid, and in most cases without the barest means of subsistence. And there are every day hundreds of innocent non-combatants being murdered and slaughtered by the bombers of the Imperial Army of Japan. And the floods of the Yellow River are aiddng other million of civilian sufferers.

The second development has been the gradual intensification of the sympathy of the American people for China in the present conflict. The American people have never been neutral in the Sino-Japanese war. You cannot be neutral in a situation where the right and wrong are as clear as day and night: nay, your sympathy is at least 99 per cent on the side of China and against Japan. Your sympathy is best evidenced in your generous response to all kinds of appeals for medical aid and civilian relief in China, in your enthusiastic participation in the voluntary boycott against Japanese goods, and particularly in your recent outburst of indignation against the ruthless and inhuman bombing of the civilian population in Canton and other cities. When I was traveling in Canada a few months ago, a newspaper interviewer asked me: "What good can all this sympathy do to China in the war?" I said to him: "Young man, don't underestimate the value of this overwhelming sympathy. It makes a world to difference in a modern war whether you are fighting with the conviction that the sympathy of the civilized world is with you or you are fighting in the consciousness that the whole civilized world is condemning or cursing you." And we are quite confident that the day will come, as it did come in 1917, when the immense sympathy of a great nation, under idealistic leadership, will express itself in collective action and practical statesmanship.

The third development has been the definite formulation of an American policy toward the Far Eastern situation. In a series of widely published documents, dated from last July to March and May of this year, the great leaders of the American government have announced to the whole world a definite and consciously thought-out policy with regard to the Far Eastern situation. The gist of that policy, as you all well know, is an unreserved condemnation of international anarchy and a determined advocacy of the maintenance of international peace and justice by the restoration of the reign of law among the nations. On several occasions, your Secrety of State. Mr. Cordell Hull, has declared: "The interest and concern of the United States in the Far East are not measured alone by the number of American citizens residing there, or by the volume of investment and trade. There is a much broader and more fundamental interest—which is, that orderly processes in international relationships be maintained." And last October, President Roosevelt said in his famous Chicago speech: "Most important of all, the will for peace on the part of peace-loving nations must express itself, to the end that nations that may be tempted to violate their agreements and the rights of other will desist from such a course. There must be positive endeavors to preserve peace." These statements represent the central points of the American Government's Far Eastern policy, which is exactly the type of positive and constructive international leadership that the peace-loving people of the whole world have been expecting, and have a right to expect, from the people and government of the most powerful and most peace-loving nation in the modern world.

These are the things that have developed during these terrible months: first, China is rapidly bleeding to death; second, the immense sympathy of the entire American nation on the side of China is becoming more and more intensified and articulate; and thirdly, the American Government has been proclaiming to the world that there must be positive endeavors to preserve peace and restore order.

As a representative of a suffering nation in a most unjust war, I can only express my own pious hope and the pious hope of my people that the postive and constructive policy pledged by the great leaders of the American Government may be effectively carried out before long, and that the unanimous sympathy of the American nation for my people in distress may express itself in an active support of the Government in its "positive endeavors to preserve peace." I ask for no more. And I am sure my people ask for no more.

But I do wish to add one more word of appeal. For almost fully 12 months, my people have been making a supreme effort in resisting the invader and fighting for our threatened national existence. You and the whole world are witnesses of this supreme effort. But that supreme effort is not enought. There is a limit to the ability of human flesh and blood in fighting against much superior mechanical equipment. And there is always the danger of collapse through sheer exhaustion. It is simply irresponsible wishful thinking that China can save herself by her own military resistance alone. I am not ashamed in saying so, because even France which had had 44 years of intensive military preparation could not save herself in 1914. I am realistic enough to admit that, in order to shorten this terrible war, restore international order in Pacific area, and relieve the acute suffering of scores of millions of people, some positive international action is absolutely necessary. And if China is worth saving at all, and if there can be "positive endeavors" to preserve peace and save a suffering nation, that salvation must come before the collapse of the unified and effective central authority in China which it has taken twenty-seven long years to build up.

Japan's Use of Gas and Threatened Mass Slaughter Forces Action by League

BY H. C. H.

THE League of Nations was finally compelled to intervene in the Sino-Japanese hostilities. How effective the action may be remains to be seen, because any action which the League might take would depend, obviously, upon what may happen in Europe in the next few days and weeks. Some think the purpose is to clear the way for action in the Pacific by the United States, the only Power with its hands free to do anything about Japan.

Anti-Japanese sentiment has been mounting in the United States, to a point where it seems inevitable that something will be done about the sale of munitions to Japan at least. Perhaps a complete embargo may be invoked, including cotton, copper, iron and petroleum products.

Faced with China's irrevocable demand, the League Council decided to apply Article 17 of the Covenant. Dr. Wellington Koo, Chief Chinese delegate to the League, presented China's appeal in emphatic terms. He said that during 14 months of warfare in China, China had appealed to the League four times. Now, the situation was more aggravated and Japanese aggression far extended. More ruthless, desperate and atrocious methods were being employed, such as poison gas and mass slaughter of Chinese civilians as well as troops. Dr. Koo urged the application of Article 17 and demanded that full effect be given to previous resolutions passed by the League Council.

Accepting China's appeal, the League Council addressed a telegram to Japan, inviting that nation to

accept the League's jurisdiction in the Sino-Japanese dispute. But Japanese circles in Geneva and in Tokyo expressed the belief that the invitation would not be accepted, pointing out that since the outset of the present hostilities, Japan had rejected third-party intervention, particularly interference from the League of Nations. The invitation was being studied by the Japanese Government and a reply awaited in Geneva.

In the event of Japan's refusal to accept the obligations, under Article 17 of the League Covenant, it would have the effect of giving automatic application to Article 16 involving sanctions against her. How far the League is prepared to go, is as yet impossible to say. It is evident that China will insist on the League's carrying out Dr. Koo's two specific requests, namely,

1. Enforce an embargo on war and raw materials and financial credits to Japan and to grant to China financial credits and material aid.
2. Send a League commission of inquiry to China as a preliminary to measures "deterring the Japanese from using poison gas and practising indiscriminate bombing."

Some Chinese circles in Geneva believe that one of the effects of the Council's action will be to induce the United States to apply its Neutrality Act against Japan.

Chen Chieh, new Chinese Ambassador to Germany, was due to arrive in Berlin this week, in the company of Dr. Oskar P. Trautmann, the German Ambassador to China. Dr. Trautmann was summoned home by the German Government "to report on the Far Eastern situation" and was not expected to return to his post in China. He was known to be strongly opposed to Hitler's policies, particularly the withdrawal of the German military advisers.

Official announcement was made at Chungking of the acceptance of Dr. C. T. Wang's resignation from his post as Ambassador to the United States and the appointment of Dr. Hu Shih as his successor. A Foreign Office spokesman offered no explanation for the change. He refused to reveal why Dr. Wang had resigned, but commended him for his services at Washington. The spokesman, however, intimated, "There might be an important post awaiting him (Dr. Wang) in China."

Although Dr. Hu Shih, the Ambassador-designate, has had no previous diplomatic experience, he is expected to be popular and useful, the spokesman said. Dr. Hu has degrees from Cornell and Columbia and knows the United States. He also is well-known to the members of the State Department. Dr. Hu, who is now in Geneva, is expected to proceed to his post shortly.

MANCHURIA NOT FORGOTTEN

Although Gen. Chiang Kai-shek has his hands full and more, with the defense of Hankow, he has not forgotten the predicament of his fellow countrymen in Manchuria who have been under Japanese military domination for seven years. Taking advantage of the anniversary of Japan's first aggressive move—on the night of September 18, 1931, at Mukden—Gen. Chiang assured the people of the Three Eastern Provinces that he would never forsake his responsibilities for their deliverance.

Millions of our people in Manchuria and the other ten provinces under the heels of the Japanese warlords have suffered terribly, but the Japanese have reached the end of their financial resources, the Generalissimo declared. He said, however, that resistence was not sufficient. Chinese serving the Japanese in any capacity, particularly in the army in Manchuria, must rebel and the people of Manchuria must help in the struggle for freedom behind the Japanese lines.

The Chinese papers in Hankow published the first full disclosures of the extent and manner of organization of the Manchurian Volunteers, allegedly having a strength of 100,000, including several hundred Koreans. The commander is Gen. Li Tu, with Gen. Li Hua-ting as deputy leader. The Kuomintang, in a proclamation on the Manchurian anniversary, declared that the present campaign of resistence is an inevitable stage in the progress of the Chinese National revolution. Madame Sun Yat-sen participated in a mass meeting in Canton.

JAPANESE CABINET SQUABBLES

Rivalry among Japanese Cabinet Ministers continued in connection with plans for the establishment of the much-advertised "China Affairs Bureau." Lt.-Gen. Itagaki, War Minister, insisted that the projected organ must be placed under the direct control of the Premier, the Finance Minister S. Ikeda urged that broad powers to exercise jurisdiction over Chinese questions in political, economic and cultural fields should be conferred on the proposed Bureau. As Minister of Finance and concurrently Minister of Industry and Commerce, Mr. Ikeda was maneuvering to obtain important powers for himself in the new organ.

As the first step to "renovate" Japan's diplomatic personnel abroad and strengthen the ties with her two European allies, Germany and Italy, Gen. K. Ugaki, Foreign Minister, was planning to appoint Lt.-Gen. Hiroshi Oshima as Ambassador to Berlin and Toshio Shiratori Ambassador to Rome. Decision was also said to have been made to transfer Mamoru Shigemitsu, incumbent Ambassador to Moscow, to be Ambassador to London and Shigenori Togo, present Ambassador to Berlin, as Ambassador to Moscow.

Tokyo *Asahi* reported that Italy was planning to recognize a new regime in China which was expected to be established in the event of the fall of Hankow into Japanese hands.

FAILURE IN THE NORTH

Despite occupation of important areas in North China over a period of fourteen months, the Japanese have failed to achieve economic and political domination of the region, was the opinion of a foreign observer who recently returned to Shanghai from a visit to the North. To vent their anger and disguise their growing discomfiture at the continued loyalty of the Chinese in North China, the Japanese are blaming the foreigners for everything that goes wrong in the region. An instance of this war the recent order to Japanese residents to evacuate the British and French Concessions in Tientsin. The Japanese were embarrassed at the failure of their financial program as represented by the issuance of the "Federal Reserve Notes" and other activities of the "Federal Reserve Bank." Also they wanted possession of some $60,000,000 in silver bullion in the vaults of banks in the French Concession.

Japanese occupation of North China is only nominal. Outside the large cities and beyond the immediate vicinity of railway zones, the observer stated, the Chinese are today in full control of North China. Recently, Gen. Lu Chung-lin, new Chairman of Hopei, arrived with his staff to re-establish regular administrative functions. North China population, including those who live in Japanese-dominated cities, are more anti-Japanese today than they were a year ago. Japanese-sponsored political structures and propaganda have utterly failed to inspire confidence and loyalty. Guerilla activities are being carried out on an extensive scale. Railways, highways and Japanese bases in North China are constantly harassed.

Execution by his own men was the penalty meted out to Li Fu-ho, Chinese division commander, who turned traitor to his country and joined the Japanese. Li was made Commander of the so-called "Huang Si Chun" (Imperial Assistance Army) with headquarters at Shihchiachwang and nicked named "Franco of the East." His action was strongly opposed by the troops under his command, who after shooting him joined the Chinese guerillas.

Lt.-Gen. Hsu Ching-yuan, who served under Li but returned to the Government, revealed that a secret pact was concluded between Li and the Japanese military authorities before he surrendered which provided that Li was to sever his allegiance to the National Government and to reorganise his troops as the "First Imperial Assistance Army." He was to be given a subsidy of $50,000 monthly and arms supplies by the Japanese. It was further provided that Li's troops, besides fighting against Chinese guerillas, should assist the Japanese armies in the event of an outbreak of Russo-Japanese war.

MERGER OF NANKING-PEIPING

However, the Japanese reported in a *Domei* message from Peiping on Sept. 20 that "complete agreement" concerning the amalgamation of the two regimes had been reached by Tang Erh-ho, representative of Peiping

and Liang Hung-chih, Wen Tsung-yao and Chen Chun, representatives of Nanking. An inauguration ceremony for a joint-committee to prepare for the merger of the Peiping "Provisional" and the Nanking "Reformed" Government, was scheduled for Sept. 22 at the Chin Cheng Hall in Peiping.

Liang, Wen and Chen arrived in Peiping on Sept. 19 from Dairen, in Japanese Army planes. The joint-committee representing Peiping will consist of Wang Keh-min, chairman of the executive commission; Wang I-tang, director of the interior affairs department; Chu Shen, director of the judicial department. Nanking's "Reformed" government will be represented by Liang, Wen and Chen. Chen Lu, minister of foreign affairs at Nanking will head the general affairs department of the joint-committee. The merger of the two administrations is being planned in readiness for announcement and possible Japanese recognition, following the fall of Hankow. Japan has also been moving heaven and earth to induce her allies, Germany and Italy to grant simultaneous recognition of the new regime.

The Chinese papers claimed that the effort to unite Nanking and Peiping would fail and that the Japanese Army would shortly create a third regime to function in Hankow and later a fourth for South China in the event the war is carried south of the Yangtsze.

Partial reorganization of the Peiping regime has been effected, according to Japanese report. The Internal Affairs Bureau of the Administrative Department was raised to the status of a department headed by Wang I-tang, leading pro-Japanese Anfu politician. The Financial Bureau was also enlarged into a Financial Department, with Wang Shih-ching, President of the Reserve Bank, as Director. The Communications and Foreign Affairs Bureaus were similarly elevated.

Under Japanese military auspices, a radio broadcasting station was opened at Nanking on Sept. 10, Shanghai *Mainichi* reported.

Kao Kuan-wu, military-politician, who once served as secretary to Gen. Chien Ta-chun when the latter was Garrison Commander of Shanghai-Woosung Area, was made "Mayor" of Nanking in succession to Jen Yuan-tao, Nanking's "Minister of Public Security." A native of Tsungming Island, Kao is 47 years old and a graduate of Paoting Military Academy.

With a view to training a puppet army, Nanking is planning to establish a military academy. Officers of the peace preservation corps in various Japanese occupied areas in the Yangtsze Delta are expected to enroll in the institution. The Education Ministry is also organizing a university, known as Tung Ho University.

Counter-acting Japanese activities, Chinese guerillas in Nantung, northern Kiangsu, were reported to have organized an Anti-Japanese Armed Resistance School. Many Chinese young men and women have left Shanghai for Nantung to join the school. Similar to the anti-Japanese Armed Resistance College established by Chinese Communist Army at Yenan in Shensi, this school at Nantung will teach young men and women practical tactics in guerilla warfare. In addition to the School, the guerillas are also publishing newspapers, including the "Sin Tung" or New Nantung Daily. There are now five guerilla corps operating in the vicinity of Nantung. Among these the Special Service Guerilla Corps under the command of Ting Wei-feng is the strongest. Ting was formerly a member of the Control Yuan.

"Colonel" Walter Yang alias Yang Kya-chu was sentenced to life imprisonment last week by the First Special District Court for implication in the murder of Tsai Tiao-tu, editor of a "mosquito" Chinese newspaper, last winter. It was revealed that Yang was the director of the general affairs department of the so-called "Hsin Ya Hui" or Asia Revival Society, pro-Japanese terrorist organ. He once was connected with an American law firm in Shanghai.

Educational leaders in Shanghai have started an oath-taking movement. All teachers and school executives are urged to pledge themselves to be faithful to educational principles promulgated by the National Government and not to register with the puppet regime or accept its orders and subsidies.

Madame Chiang Kai-shek made an earnest appeal to Chinese women to aid in the war. "I shall not be satisfied," she declared in Hankow," until every woman and every student is participating in the war." Madame Chiang praised Chinese young women, mostly college and middle school graduates, who have been busy in mobilizing the population behind the lines, instilling patriotism and giving first aid to wounded soldiers.

Madame Sun Yat-sen, widow of the founder of the Republic and sister of Madame Chiang, was the object of a futile Japanese search of a British steamer the *Tin Yat* proceeding to Canton. When the steamer neared the mouth of the Pearl River, a Japanese warship fired a shot across her bows and a search conducted in the steamer failed to locate Madame Sun. She was travelling on another steamer, which passed the *Tinyat* at almost the same time the shot was fired. Madame Sun was proceeding to Canton to attend the Overseas Anti-Japanese Congress.

Gen. Chiang Po-li, the well-known Chinese strategist, who recently returned from a tour of Europe, was appointed President of the Military Staff College, which has hitherto been headed by General Chiang Kai-shek.

A Banner of Honor was presented to Gen. Chiang Kai-shek by a delegation representing the Ao-To Banner of the Yeghe Jo (Ordos) League in Suiyuan. Leaders of the Banner are now engaged in guerilla warfare against the Japanese.

Brigadier-General Shen Te-hsiang, of the 12th (Shantung) Army, who was wounded during a battle west of Kwangtsi, in south-eastern Hupeh, died of his injuries at Hankow. A memorial service held in his honor was attended by more than 10,000 people, including high civil and military officials and civic leaders.

Sun Yao, former second secretary of the Chinese Embassy in Tokyo, was dismissed from his post on charges of treachery against the State by the Executive Yuan. Sun was ordered to be arrested and punished.

JAPANESE ARREST MORE RUSSIANS IN HARBIN

THE arrest of Russians for alleged infringement of regulations, particularly affecting currency and exchange, has continued, according to reports from neutral sources in Harbin. Six Russians, members of the staff of the firm of A. Lopato, were arrested on Sept. 12 and are still held. Lopato and Sons is a subsidiary of the British-American Tobacco Company, operating in North Manchuria.

No information has been received regarding four Russian employes of British banks in Harbin who were arrested several weeks ago and supposedly are still detained by the Japanese authorities. They were charged with "exchange manipulation."

Three others, arrested early in present month, who also are still held are, Mr. Zaigrayeff, Acting President of the Jewish National Council in the Far East and one of the Directors of the Harbin Union Banking Corporation; Mr. Froumkin, Assistant Manager of the Harbin branch of Messrs. Louis Dreyfus and Company, the largest firm of grain dealers in the Far East; and Mr. Gourvich, head of some of the Harbin Jewish social and charity organizations.

A report in the *Sin Wan Pao* (Aug. 30) said that some 60 White Russians are engaged in "political work" for the Japanese in the Hongkew section, the nature of which is alleged to be the organization of a "Fascist Movement." The Japanese are planning shortly to declare a "protectorate" over White Russians in the Far East, utilizing for that purpose the Fascist groups, which they have organized in Shanghai, Tsingtao and Tientsin. All of these groups are linked up with the ex-ataman Semenoff, former leader of the Trans-Baikal Cossacks, who has been in Japanese pay since his flight from Siberia in 1920.

WHAT OUGHT TO BE DONE ABOUT THE FUTURE OF CHINA

ICHIZO Kobayashi, president of the Tokyo Electric Light Company, has just written a "best seller."

It is concerned chiefly with the Sino-Japanese conflict. A reporter from the *Kokumin Shimbun* interviewed Mr. Kobayashi on the subject of the new book.

"What course do you think Japan should pursue in China? the reporter inquired.

Mr. Kobayashi, after some thought replied, "My conclusion is that there are two courses open for Japan to follow . . . . one is that after the war, Japan should recognize the rights and interests of the Powers in China and act in concert with them . . . . The other course is that Japan should act on the basis of the Army's own policy . . . . Neither I nor anyboby else would dare say definitely right now which course Japan would take!"

The End of Czechoslovakia?

The Czechoslovakian government on September 21, accepted without reservations and without counter-proposals the Anglo-French scheme for a settlement of the Sudeten problem. The Czech reply to the plan elaborated in London September, 18, emphasized that their acceptance was the result of the repeated visits and pressure exerted by the British and French ministers to Czechoslovakia. The government said, tersely, "Czechsoslovakia has sacrificed herself for the sake of Europe."

WHEN British Prime Minister Neville Chamberlain and French Premier Daladier and French Foreign Minister Bonnet concluded their momentous discussions on the European situation in London this week, all Europe momentarily relaxed—all but Czechoslovakia who, as many an observer had predicted, faced dismemberment in order that Adolf Hitler, land-hungry Nazi leader, might be appeased.

Last week, when Chamberlain flew to Berchtesgaden to sound out Hitler's attitude anent the Sudeten German question in Czechoslovakia, Europe appeared to be on the brink of war. When the elderly and ill British Prime Minister returned to London, the world began to sense that perhaps war had been avoided and that Hitler was going to receive what he wanted without the necessity of resorting to arms.

Secrecy surrounded the details of the Chamberlain-Hitler conversations, but London newsmen reported that the British statesman had told King George that Hitler demanded:

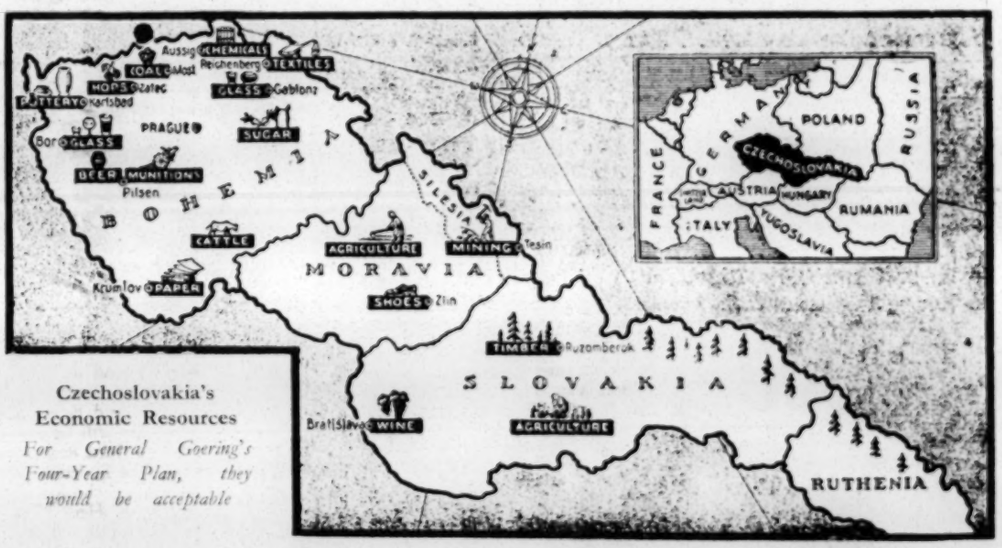
1. Czechoslovakia should immediately surrender Sudetenland to Germany. Eighty per cent of the Czech-Germans reside in this area.
2. Establishment of canton governments in Sudeten areas further inland where the German population is under 80 per cent of the total population.
3. An international guarantee by Germany, France, Britain and possibly Italy to protect the integrity of the remainder of Czechoslovakia.
4. Guarantees of Czech neutrality similar to Switzerland and Belgium which the major powers have agreed not to invade.

Redraw European Map

Then began the Anglo-French conversations, and on September 18, the two great powers arrived at what was termed a "peaceful solution to the Czech crisis," although the world remained in the dark as to the precise nature of the policy adopted by Britain and France.

News leaked out that the question of a plebiscite had been dropped, but on September 20 it was learned that the Czech government had been presented with a scheme based on the principle of a redrawing of its boundaries.

And boiled down to its essentials, the scheme gave Czechoslovakia the choice of dismemberment of an important section of the country or possible extinction.



Czechoslovakia's Economic Resources

For General Goering's Four-Year Plan, they would be acceptable

British News Review, London.

At the same time, Hungarian officials apparently were beseeching Hitler to pave the way for them to receive a slice of Czechoslovakia in which they claim minorities. Prime Minister Imredy and Foreign Minister Kanya hurried to Germany to discuss the question with Hitler and German Foreign Minister von Ribbentrop. Also scheduled this week was a conference between delegates from Poland, Germany and Hungary.

While well-informed circles in London and Paris said they believed that the recommendations will be eventually accepted as a basis for negotiations, Prague feared that a refusal to abide by the plan might mean disaster, as observers belittled the value of Soviet aid. Prague's press was more bitter, declaring that "No Czechoslovakian Government can accept the humiliating Anglo-French proposals."

Uneasiness over the Anglo-French plan was in evidence in London. C. R. Attlee, leader of the Labor Opposition, submitted the following letter to Chamberlain:

"In view of the reported proposals submitted to Czechoslovakia which contemplate the dismemberment of a sovereign state at the dictation of the ruler of Germany, and involve this country giving a guarantee for future Continental frontiers, I feel that, before Britain is committed to this grave departure from her declared policy, Parliament should be consulted without further delay."

The labor leader's letter followed a statement issued by the National Council of Labor, in which it declared that, although it was desirous of maintaining peace, it viewed with dismay "the reported Anglo-French proposals for the dismemberment of Czechoslovakia under the brutal threat of armed force by Nazi Germany without prior consultation with the Czech Government."

"Shameful Betrayal"

The Council said that it also viewed with dismay the "shameful betrayal of a peaceful and democratic people, which sets a dangerous precedent for the future." The Council invited representatives of the French labor movement to visit London for a conference on the Anglo-French proposals.

Meanwhile, conditions in Czechoslovakia continued tense. On September 18, fighting broke out on the Czech-German frontier at Asch when two attacks were made on the Asch Customs House by Sudeten sympathizers described as "a number of civilians from Germany." They were believed to have been members of the new Sudeten Free Corps and were said to have been equipped with machine-guns and other arms of German manufacture.

Meanwhile reliable reports said Germany had warned the Prague Government that the Reich would make swift reprisals against Czech citizens in Germany in the event the Prague Government courtmartials any of the Sudeten Germans. The Czech Government denied that additional troops were being mobilized but it was evident that additional troops were being called to the colors almost hourly. Neutral observers estimated that at least 500,000 Czechs were under arms.

Meanwhile all wives and children of members of the British Legation and the British mediation mission, including the wife of Lord Runciman, left Czechoslovakia by train en route to London. Members of the American Legation and their families are remaining for the present.

Gold Pours into U.S.

And, as the pot boiled in Europe, American reported the largest shipments of gold to the United States in its history. In the first two weeks of September, it was believed that several hundred million U.S. dollars worth of the metal had been shipped. Meanwhile, America commented on the European political situation. Said Sentator Key Pittmen, chairman of the powerful Senate Foreign Relations Committee, at Los Angeles:

"The democracies of the world faced a crucial threat through the steady advance of the totalitarian states and the equally continuous retreat and surrender by the democracies of one democratic principle after another."

Commenting on the position of the United States, Senator Pittman said the "American people were in sympathy with the small democracies. Yet our people rebel against the sacrifice of the lives of our citizens in defense of the democracies who cannot be trusted to defend themselves." Consequently, he said, he believed the Senate would not vote favorably on any treaty, resolution or measure authorizing the United States to enter into any foreign war or alliance for joint action with any foreign power on behalf of a foreign war.

The comment on Sept. 14 of the Japanese Foreign Office spokesman on the European crisis, to the effect that Japan stood

with Germany and Italy against Communism, passed virtually unnoticed in Washington. American authorities whose views on the Japanese statement were sought said they believed the Tokyo spokesman's assertion of Japan's willingness to join Italy and Germany in the spirit of the Anti-Comintern Pact was merely a general exposition of Japan's existing position instead of a definitive statement of any intention on Japan's part to intervene against Russia in the event of a European war.

Observers also called attention to the fact that American opinion had not reached to the European crisis as a problem of Bolshevism versus Democracies. Reports alleging that Moscow was responsible for aggravation of the crisis at Prague were generally discredited. There was considerable unofficial speculation on whether a European war would have the effect of increasing the United States' "policing" responsibilities in the Pacific area, especially if the strength of the British Navy were diverted elsewhere.

Press Reaction

The *New York Herald Tribune* wondered whether the Czech state could possibly survive, from an economic viewpoint, an amputation of the Sudeten areas, and what would be the attitude of other minorities of the Sudetens were granted full satisfaction. Finally, the paper wondered whether a concession eventually obtained would be sufficient to save peace.

"It is the contention of men like Signor Mussolini that Czechoslovakia must be sacrificed in order to preserve peace in Europe," the journal added. "If the sacrifice had effective and permament results, much could be said in its favor. But why should Herr Hitler abandon his objectives when records show that each time he beat his breast and called out loudly, more timid nations have not only allowed him the large pie he wanted, but have been talked of giving him such candy and soda-pop as he could stomach, if only he would be a good boy and behave himself."

A new wave of isolationist sentiment passed over the United States this week as Americans watched events in Europe. State Department circles tried to allay the peoples' feelings and asserted that the Government's policy had not been changed and that the America is neutral insofar as the Continent is concerned.

Meanwhile, both Democratic and Republican Congressmen received a large number of letters demanding guarantees that the U.S. will not be dragged into any European conflict. These letters demanded that either the United States Government should define their attitude more clearly or else that the Neutrality Law should be reinforced at once. This would mean the absolute prohibition of all commercial dealings between the U.S. and the belligerent nations.

A number of pacifist groups renewed their campaigns for the maintenance of peace. The wrote to Secretary of State Cordell Hull and to the press. A number of organizations even voiced fears that the activities of Mr. Joseph P. Kennedy, Ambassador at London, might drag the U.S. into a European war.

The groups that recently supported Representative Louis Ludlow of Indiana in his motion to make compulsory a public referendum before the United States could enter any war, also renewed their activities. High officials, speaking "off the record," say, "This explosion of isolationist sentiment is caused chiefly by the feeling that the European crisis is taking place completely out of range of ideas to which American opinion is attuned. "Secondly, it arises out of the periodical fear that the Government of the United States have taken on engagements, more or less tacit, with the European democracies."

French View Scene

The press in Paris was still rife late this week with comment regarding the settlement of the Czech-Sudeten problem.

The rightist *Le Figaro* believed that armed intervention in Czechoslovakia in any form would entail inevitable reactions of force. "On this point, there should be no illusions as to France's attitude," the journal added.

According to the Socialist organ *Le Populaire*, one cannot but feel alarmed when considering the Sudeten proclamation "which is a declaration of civil war, which in turn is one of the greatest dangers threatening European peace. Is it now time for President Roosevelt to address Europe with all the prestige of his person, and to outline the stand of a state whose moral or material support would in the end decide any general war?," this paper asked. "Peace must be preserved unless Hitler is inflexibly determined to impose his will by violence."

The rightist *Le Matin* declared that Czechoslovakia should become a neutral Federal state such as Switzerland if peace is to be kept today. "An arbitrage by Lord Runciman, if he is to arbitrate eventually, would tend towards such a view," the journal said.

The centrist *La Republique* recalled that a claim for a plebiscite in the Sudeten areas was formulated by Herr Henlein. "There is at present nothing better than to organize as speedily as possible a consultation within the framework of a regular settlement, which has been resorted to many times, under the control of one or several neutral powers," this paper stated.

The leftist *L'Oeuvre* declared that Chamberlain wants to obtain from Hitler concessions on the organization of a plebiscite, and wants to send immediately an international force into the Sudeten regions in order to organize such a consultation. The Fuehrer, however, wants the plebiscite to be held only after the amalgamation of the areas is practically completed, and the Czech authorities are replaced by Germans. The rightist *Le Petit Journal* declared that if the French Premier and Foreign Minister remind their British colleagues that France will honor her obligations in the event that the Sudeten dispute is not settled, "we may feel certain that Britain will not let us down but will, on the contrary, assert once more that she is a firm friend of France."

War Will Be Averted in Europe, Tokyo Says

Japan cannot remain silent if any attempt is made to represent the Sudeten question as an issue between Democratic and non-Democratic Powers, as is done in France, Tokyo's daily *Koksumin* commented .

The *Miyako* said the Sudeten question was an issue between Czechoslovakia and Germany but with British intervention all future

THE CHANGING WORLD

McCutcheon, Chicago Tribune

developments now depend on the situation between Germany and Great Britain. In view, however, of the keen anxiety of Britain for maintaining peace and the "ardent desire" of Germany for a peaceful settlement war will be averted, the *Miyako* predicted.

Intervention of a third Power would serve only to complicate the situation because the Sudeten question is a racial one concerning only two countries, Czechoslovakia and Germany, the *Koksumin* declared. "Speeches of Herr Hitler, Herman Goering and President Benes are quite relevant and not open for criticism," the *Koksumin* continued, "but exception must be taken to the intervention statement of other countries in Europe acting from ulterior motives or to prevent the issue from finding its own natural settlement." The journal counseled them to follow the *London Times* or *Observer*, which editorially urged the necessity of the secession of the Sudetens, or acceptance of the demands of the Sudeten Party by Czechoslovakia for the sake of peace.

France must assume the major responsibility for aggravating the Sudeten question, which she "wants to handle as if it meant a direct issue between herself and Germany, whereas it is a racial question involving only Germany and Czechoslovakia," the paper continued. "The question has no direct bearing on the anti-Comintern Pact, nor has it any direct connection with Japan even if it is aggravated, though then it would affect the Berlin-Rome axis," the *Koksumin* stated.

The *Asahi* said Hitler "has peace in his left hand and war in his right hand, while all Europe is agog to see what effect his speech will have." The *Nichi-Nichi* paid a glowing tribute to Hitler for his "firm determination" and advised England and France to "look at the true aspects of the question."

8 Chinese Planes Said Downed By Own Batteries

Eight Chinese planes of a squadron of 16 en route from Liuchow to Nanyung in Kwangtung were shot down by Chinese anti-aircraft batteries Sept. 17 when they were mistaken for Japanese raiders, *Domei* reported from Tokyo.

A U. S. Loan for China?

TO an already healthy financial condition in China, this week were added high hopes for developments which will tend to improve China's finances, as K. P. Chen, managing director of Shanghai Commercial Savings Bank, and Hsi Teh-mou, an official of the Central Bank of China, and their secretaries arrived in Washington for, rumors say, a discussion of a new loan to China.

Chen and Hsi, unheralded, took off last week in the Philippine Clipper, bound for San Francisco, via Manila and Honolulu. Secrecy shrouded their identities until they reached Honolulu. Here newsmen unmasked them, but failed to learn the purpose of their trip to Washington. In San Francisco, newsmen learned they were to discuss financial matters with Henry Morgenthau, secretary of Treasury, upon his invitation. In Washington, the Chinese Embassy remained close-mouthed, although correspondents heard that the mission, known as the Chinese Economic Mission, was expected to remain there for many weeks, particularly since L. E. Pierson, head of the Export and Import Bank, will not return to Washington from Latin America before the middle of October.

T. V. Soong

Coincident with the mission's arrival in the American capital, *Domei* quoted Tokyo sources as saying that "Nationalist leaders have instructed Dr. Wellington Koo and Mr. Quo Tai-chi to seek financial aid from Britain and France if the League of Nations refused to invoke Article 17 of the covenant."

Several days after the bankers left Hongkong, Chinese reports said T. V. Soong, China's financial wizard, had left on a special plane for America, via the clipper route. This report, however, proved erroneous.

Optimism Expressed

Shanghai's Chinese press voiced optimism over the bankers' visit to Washington. The visit to America of the two prominent bankers, said the *Morning Leader*, lead to a belief that negotiations of economic importance must have been going on between China and the United States. Being a man of high prestige and ability, Mr. Chen, it is generally regarded, can well represent Mr. T. V. Soong. He was responsible for the successful conclusion of the Sino-American Silver Agreement during his previous visit to Washington.

The strict secrecy which has cloaked his journey, and the precautions taken by the American naval authorities for the protection of the Chinese visitors, indicate the importance attached to his mission, the daily said. That both Messrs. Chen and Hsi are reportedly visiting the United States at the request of the American Secretary of Treasury, Mr. Henry Morgenthau, Jr., leads to a belief that their conversations will have some bearing on China's financial matters.

How can the United States help China? asks the journal.

As regards the financial problem of China, it is believed that the fate of the present resistance campaign is to be determined by China's financial strength rather than her military strength. The morale of Chinese soldiers and civilians is excellent and the military leaders have the situation well in hand. What causes the most concern is the financial problem. It is true that Japan is now in an inferior financial position. But it must not be forgotten that the war is proceeding on Chinese territory. Therefore, China must be well prepared against contingencies, the journal declared.

Three months ago, the daily pointed out, foreign exchange was considered as the most important problem in China's war-time finances, because it has a close bearing on the supply of arms from abroad.

What China expects from the United States and what the United States can help China, it is apparent, are credit or commodity loans which will increase this country's purchasing power. But what China needs most today is an outright loan; for commodity loans may not meet China's actual needs. The American wheat loan of 1931 and the cotton and wheat loan of 1933 were given to China partly because the United States wanted to get rid of the surplus products. The same thing is true with the presently proposed wheat loan to China.

Cash Loan Wanted

"It is the hope of the Chinese people," the paper said, "that Chen and Hsi in America will succeed in securing a loan from America. Although the amount and nature of the loan cannot yet be divulged, we can predict that the United States will give us commodity credits. But China prefers a monetary loan to a commodity loan. How much actual benefit China can get from the United States largely depends on the ability of Mr. Chen."

In conclusion, the journal said that the extension of loans to China by America is only one way to help China. The most fundamental and effective way is the application of economic sanctions against Japan.

Kann Says Finances Sound

E. Kann, former manager of the Russo-Asiatic Bank in Shanghai, a member of the commission which sat during the discussions connected with the abolition of the tael, a member of the advisory board of the Central Mint and the author of many works dealing with finance in China, including the "History of Chinese Internal Loans," did much to allay any unfounded fears regarding China's financial condition in an address this week before members of the Rotary Club.

Mr. Kann expressed profound admiration for the way in which the present Chinese government was dealing with the financial aspect of the war with Japan.

Basing his address on "Chinese Currency and Government Finance under War Conditions," Mr. Kann said that instead of issuing an ultimatum regarding the withdrawal of currency, which was usual when most countries were at war, China invented a new currency—Wei Wah or transfer money—and the government permitted the withdrawal of small amounts, agreeing at the same time to pay the wages of workers to the fullest extent. Today Wei Wah had become a discount on current money, and there were practically no restrictions that would hinder the financial life of the Settlement or the whole of China.

How China managed to finance the war, which, as everyone knew, was a costly and serious enterprise, had caused astonishment in many circles and the China Government deserved the highest admiration for the way they had financed the war campaign up to now. The amount of money necessary to carry on the war would have to be raised from revenue or by loans, and there was the fact that revenue was decreasing day after day, especially those revenues from the Customs and Salt, which, to a large extent had passed out of the control. "The backbone of the means of financing this war," went on Mr. Kann, "has been the gathering of silver from the population in exchange for banknotes." This silver, he added, was still being thrown into the coffers of the Government and had been the basis of China's being able to carry on the war.

Dealing with loans, Mr. Kann stated that China had not seriously attempted to obtain foreign loans during the struggle and two large loans had been floated internally, the first being for two hundred million dollars, the second for five hundred million dollars, and there was a third for thirty million dollars. A foreign loan, however, had been authorized for the sum of fifty million American dollars or ten million pounds sterling. At the present moment, the speaker continued, the Chinese Government had certain revenues from the Customs and soil, but this income was now worth only one third of what it had been before the hostilities. At least two thirds of this inocme was now passing into other hands, and at a rough estimate, twenty million dollars per month would be China's share of the Customs revenue today.

In spite of enormous war expenditure and reduced income, however, the China Government had maintained its loan service to the fullest extent, which was an outstanding achievement on their part. Two or three railway loans had gone into default but the Government had made it a point to meet all interest on principle in connection with their loan services.

Abolition of the Tael

The year 1933 marked a farewell to the tael and China's silver currency. At that time Mr. T. V. Soong was Minister of Finance, and he decided that the tael would have to go, its passing causing no regret to the speaker. At that time there were 150 different taels in China, all of different weight, and all created by separate enterprises, making it impossible to retain such a clumsy currency. Since its abolition he had not heard a single word of criticism from anyone, and the unified dollar which had replaced it, had certainly done excellent service.

The silver standard had been recognized as absolutely unnecessary by many countries and its abolition in China was not only a necessity but a master stroke. The highest praise had to be applied to those parties connected with its abolition and contrary to general belief, all those parties were Chinese. It was a mistake to believe that foreigners carried out the change.

Mr. Kann estimated that the Chinese Government had expended at least thirty million pounds sterling on the war and, considering this, it had done miracles in upholding the currency, but the question cropped up "How long could they hold out?" This depended on the existing reserves of the Government and no one could tell how much had to be expended abroad for ramaments. There appeared to be no anxiety, however, in official circles. The Chinese Government had spent large amounts for the purpose of maintaining the currency and, if they were able to please the Shanghai market, their finances could not be badly

shaped. "They can last longer than people usually think," added Mr. Kann.

Favorable Position

Dealing with questions, Mr. Kann said it was true to a certain extent that the Government were depreciating the currency by the use of the printing press, about one billion and seven or eight hundred million banknotes having been circulated. The Government maintained 60 per cent of its reserves in bullion—all foreign currencies—and 40 per cent. in securities and bonds. Dealing with China's indebtedness, Mr. Kann said that compared with foreign countries such as France, with a debt of 360 million francs, Germany with Austria, 20 billion marks, England, eight billion pounds, Japan, 23 billion yen, U.S.A., 39 billion dollars, China, with a total debt of 285 million 776 thousands, in sterling, which amounted to 13/4 per capita, was in a favorable position.

The military activities of the Japanese in China must have cost to date nearly seven and a half billion yen, and of this total about 92½ per cent. had to be raised by bonds and the rest by taxation, he added.

Until 1932, continued the speaker, China had a surplus of silver imports, but from 1932 onwards there had been a change in the opposite direction. More than a billion dollars' worth of

BOYCOTT?

Saturday Evening Post

Wife—"Starting tomorrow I'm boycotting Japan, so I don't want to run out of silk stockings."

silver had flowed out of the country and China, too, had recently sent heavy shipments of gold abroad. This was explained by the fact that from time immemorial no restrictions had been placed on gold coming into the country by the Customs or other people, and, consequently, huge sums in gold had accumulated. These sums were now being sent out of the country and the Customs today were keeping a strict check on the movement of gold.

Shanghai Financiers To Develop Southwest

Having made an extensive investigation tour of the southwestern provinces, members of the Shanghai Industrial Mission now in Shanghai, are preparing a comprehensive report for the Government as well as Shanghai financiers and industrialists. According to well-informed circles, the members of the Mission are well impressed with the potentiality of the Southwestern Provinces and are of the opinion that communication lines must be first developed, so that mines can be opened and factories can be built in these provinces. Meanwhile, the mission recommended the building of factories in Kowloon, opposite Hongkong. Five big factories here including the International Soap Factory, the Mayer Silk Factory and the Tien Yuan Chemical Works are building new plants in Kowloon.

More Legal Tender Notes in Circulation

Despite the measures taken by the puppet "Provisional Government" in Peiping, Chinese legal tender notes are circulated in North China as usual, because of the strong confidence of the people in the Chinese Government. Total circulation of these legal tender notes has been actually increased every month. On August 26, $335,921,505 legal tender notes were in circulation in North China, representing an increase of $6,700 when compared with the previous week ending August 19.

As to the "Federal Reserve Bank," it issued $200,000,000 notes, but only $30,000,000 are actually in circulation. The attempt of the puppet regime to undermine Chinese currency in North China has completely failed.

Notes on Bombings, Pirates and Local Terrorists

Two military hand-grenades were thrown into crowded traffic at the south end of the Szechuen Road Bridge Sept. 16, wounding about a dozen persons including one foreigner. Panic was caused in the serried ranks of factory workers and others passing the point at the time, and traffic was disrupted for a considerable period. Japanese Landing Party men, with bayonets fixed, surrounded the scene of the outrage and almost immediately closed the Szechuen Road Bridge. The "Red Marias" of the Police Reserve Unit raced to the spot from the western district, and scores of steel-clad detectives and uniformed men came from Central Station and Police Headquarters.

It was the first political bombing in the International Settlement since August 12, although on August 29 two hand-grenades were thrown into a Chinese import and export hong in a lane off Kiangse Road. The bombs used were of manufacture similar to those exploded on August 29—that is, they were Mills-type missiles bearing oriental ideographs. A denial was recently issued by the Japanese when these characters, pronounced "ishii" in Japanese, were described as signifying Japanese manufacture, the counter-claim being made that the characters indicated a Chinese munitions factory near Canton.

The one foreign casualty was Mr. Victor Lenoise, British, well known in Shanghai sport circles as a "soccer" referee. Mr. Lenoise was struck in the face by a piece of one of the bombs as he was walking across the intersection to make a purchase in a shop at the west side of Szechuen Road. His chin was gashed.

Pirates Steal Four Junks

The fleet of pirates of the Yangtzse River estuary has been augmented by four empty junks as a result of an armed attack on the Robert Dollar Company's lighter, the Dah Lay, on Sept. 15. The Dah Lay has for some time now been chartered by the United Transportation Company, a Chinese concern, to haul junks to ports near the Yangtsze's estuary, where they were filled with lazy, grunting hogs and towed back to Shanghai. The tug left Shanghai on Sept. 15, towing four empty junks. Opposite Liuho, however, a fast sailing junk, bearing approximately 25 river buccaneers armed with rifles, spears and swords, appeared.

Although the Dah Lay attempted to outdistance the attacking junk, she was handicapped by the four large junks strung out behind, and the laodah stopped her engines as soon as the pirates opened fire. The pirates did not board the lighter, however, Evidently, they were after the junks, the property of the charterer, United Transportation Company, for they merely cut the river craft loose and sailed away with them. This is the second piratical attack on the Dah Lay in less than two months. Nearly three weeks ago she was attacked by pirates on the Yangtsze while en route to Shipu, but escaped.

Terrorists Sentenced

"Colonel" Walter Yang, or Yang Kya-chu as he is better known to his Chinese friends, pro-Japanese terrorist alleged to have been deeply involved in the slaying of Mr. Tsai Tiao-tu, newspaper editor, last winter, is scheduled to spend the rest of his life in jail. Yang, who was once a member of the legal staff of a local American law firm, was convicted of the Tsai slaying by the First Special District Court last week. Three others, all alleged accomplices, also were convicted but given lighter terms of imprisonment.

Hsu Tuh-ling, Chinese coolie who admitted having washed Tsai's head just before it was left on the street in the French Concession one dark night last February, was given four years. Hsu claimed that he was only a coolie who had been hired to keep things clean around the New Asia Hotel and that he was forced to wash the head against his will.

Zung Bing, the Japanese speaking Chinese and the man who implicated a Japanese named Konomi as the "brains of the terrorists," was sentenced to three years in jail. Zung Sih-kong, convicted of having had a hand in the placing of Mr. Tsai's head in the French Concession, also received a three-year sentence.

The four were arrested about three weeks ago after the "homicide squad" had unearthed evidence involving Yang in the slaying of Mr. Tsai.

Their plot to kill Tsai and commit other acts of terrorism, as disclosed by police investigations, was reported in the September 17 issue of the *China Weekly Review*.

How China Can Win

BY MAO TSE-TUNG, leader of China's Communist Party

THE final victory in the war against Japan will be China's. In the following article, I shall set forth why this war of resistance is a prolonged war, and the manner in which to prosecute this conflict.

This war, greatest in the Orient's history and, perhaps, the world, is the focus of attention of not only Chinese, but all other nationalities. Every single Chinese who has suffered and is still suffering from this war; who is fighting for the life of his nation, has not let a single day passwithout sincerely expecting China to win.

Mao Tse-tung

Now, is a victory possible? Could the victory be a quick one? Why should there be a prolonged war when everyone is united against the enemy? These questions are still a riddle for the majority of the people. The defeatists will say, "China will be destroyed;" and the impatient will say, "China will achieve a quick victory easily." We Communists have always said, "no!" to these people, though this does not mean that the greater part of the people fully understand these questions. The inadequacies of widespread propaganda, coupled with the fact that the actual situation has not developed so as to disclose fully the real trend and nature of itself, made people unable to foresee what lies in the future.

After 10 months' of resistance, experiences have at least proved that the defeatists and the impatient were wrong. And it is now time for many of us to demand a thorough understanding of our situation, especially the need of a prolonged war. While defeatists deny it, the greater part of our people have chanted the formula that the final victory will be ours. What meaning does this formula contain? We have a number of elements which can sustain the war and uphold the united front. The efforts of the whole people, including our political parties, our workers and capitalists, our army from the regular troops to the guerillas, the sympathy of the Western Powers accorded us and the service the Japanese anti-war members have given us, all aid in helping us continue the conflict.

We Communists, just as other parties and the people as a whole, have made it our sole aim to unite and to fight Japan. Yes, we have our quick victories. Many thought the Japanese would not attack Shansi. Others have denied the importance of guerilla strategy. We say that as a general strategy, the maneuvering warfare should be dominant while in individual and local conflicts, the guerilla tactics should be more important with the maneuvering war as supplementary. No happy wishers would believe this. They think the 8th Route Army too mechanic to abide by the guerilla strategy as their fundamental line of action, while mobile warfare should be used whenever conditions permit.

Shortsightedness of Many

During the Shanghai War, many promised a three-months' victory when, as they thought, the U.S.S.R. would step in to back up the lines. After the success of Taierchwang, a number of happy wishers suggested calling a halt on prolonged warfare ideas, for, according to them, Hsuchow would be the decisive battle. Success under Pinghsinkwang muddled a group of observers; the Taierchwang success confused more. People began to doubt whether Japan would attack Wuhan. They thought our power of resistance enough to combat Japan and, therefore, no more improvement and strengthening should be done. They said that the united front would need no more expansion and consolidation, for what we already have is suffice to whip the Japanese . . . . we do not need international assistance . . . . no more improvement in army organization . . . . or reform in our political system . . . or national defense education . . . . suppression of traitors and Trotskyites . . . . or development of military industry and improvement of the living standard. They said, we should abandon such slogans as "Defend Wuhan," "Defend Hsuchow," and "Defend the Northwest" . . . . many will seize the chance to enhance the conflict between the Kuomintang and the Communist Party in order to shift the people's attention away from the war . . . . and that such gestures would emerge whenever the enemy remained at a standstill or whenever the Chinese met with a big success.

Such predictions were the results of political and military shortsightedness—empty talk without a sound basis. We say that China will not perish, but neither will China win a quick victory.

All the important arguments for these questions were pointed out two years ago. Five months before the Sian Affair and 12 months before the Lukouchiao Incident, on July 16, 1937, I had, in a conversation with Mr. Snow, (Edgar Snow, author of "Red Star Over China"—Ed.) drawn a general estimated of the Sino-Japanese war and the conditions under which we would win the war. On Aug. 15, 1937, over a month after the Lukouchiao affair, the C.E.C. of the C.P. of China had in the "Decisions on the Present Situation and the Task of the Party," outlined the situation as follows:

"The Lukouchiao affair and the capture of Peiping and Tientsin represents only the beginning of the Japanese invasion in China Proper. Under the cover of attempting no expansion of their activities, the enemy has commenced a nationwide military mobilization against China. The Lukouchiao resistance will mean the starting point of China's resistance. The stage for the preparation of war has passed. We are now in a new stage in which the central point of our activity will be to mobilize all strength and power in order to win. Only a national resistance campaign throughout all phases and all over China can bring out victory, and, therefore, the keynote to success will be to develop the present resistance into such a one.

"It goes without saying that owing to our innate weakness, there shall be from time to time, defeats, retreats, attempts at disintegration, betrayals, temporary and local compromises. We should take the fall of Peiping and Tientsin as the most serious lesson after the loss of the Eastern Provinces and thus resolve to fight this war as a prolonged war, accompanied with distressful difficulties. We are definitely confident that the war of resistance thus begun, will continue and develop with the efforts of all the people, against every big and small obstacle." *Emancipation No. 15, page* 6. Ten months' experience has proved and is still proving these to be true.

Source of Wrong Conclusions

"Idealism and mechanicalism," in viewing war problems, are the sources of all erroneous viewpoints. They are either subjective or one-sided. In the former case, they simply give vent to their subjective opinion without any basis, while in the latter, they take a piece of temporary phenomnena to be the whole and exaggerate it subjectively. The result is their mistake. While some of such mistaken viewpoints are casual, accidental and therefore easy to correct, others root their errors in a fundamentally wrong outlook and persist in them. They prove to be the most difficult to convince. To combat such idealism and mechanicalism, we must

Guerillas on the march in Shansi

view the war situation objectively and from all sides in order to arrive at a correct conclusion.

The pessimistic have said, "To fight means to perish." They are not convinced if we simply point out that Japan is small and China is large. For, had not the Mongolians destroyed the Soong Dynasty and the Manchurians destroyed the Ming? These are examples showing a progressive, large, yet weak country unable to escape destruction at the hands of one that is small and backward, yet strong. We cannot discard these examples owing to their antiquity either, for to prove a small, strong and capitalistic country can ruin a large one that is weak and backward, they will suggest the downfall of India before England. We must supply another theoretic basis for our propagandists to convince those who are muddled and wavering.

Our new basis is the unique characteristic of our era in which, to repeat again, Japan is backward and isolated, while China is progressive and with the asset of international sympathy. The present war is conducted in the fourth decade of the 20th century. Our enemy, the declining Japanese Imperialism, is in the backward era which is not only in sharp contrast from the British capitalism when it destroyed India, but also different from Japan during the

world war 20 years ago. This is the eve of the general collapse of world imperialism, primarily for the fascist states.

To avoid the catastrophe, Japan is now plunging into this adventurous war as her last struggle, while actually, instead of China, the Japanese imperialistic ruling class will meet her doom. Moreover, while this period finds the world either engaged or preparing for a war, ready to fight barbarism, China is a country closely related to nations of the world. Necessarily, Japan's war in China will produce and deepen world antagonism against her.

Progressive Era Here

Although a semi-colony characterized by semi-feudalistic society, China is, historically in a progressive era. This is the dominant basis for the future Chinese victory. By progressiveness we mean that unlike Abyssinia in her struggle against Italy, unlike the Taiping Rebellion or the 1912 revolution, China is today a nation of mixed feudalism and capitalism, or mixed bourgeoisie and proletarian classes; that she has in addition to her great masses

Mass meeting in Canton to raise funds for guerilla campaign in North China—Hopei and Shantung

of awakening people and advanced army, the Kuomintang and Communist Party both pregnated with the experience of tens of years of revolutionary tradition, especially that of the past 15 years.

Thus, besides the contrast of visible strength which determines the temporary success of Japan in China and the inevitable difficult process of the prolonged warfare for China, we have three other contrasts which will defeat Japan in the end as well as bring about our victory. They are the contrast between a small and a large country; that between a retrogressive and a progressive country, and that between an isolated nation and a nation which commands sympathy.

We make no effort to deny the grave situation. While China is still weak with her semi-colonial and semi-feudalistic position, Japan is much stronger now than before. Japan is still able to control her people as well as availing herself of the international conflict to take aggressive steps in China. But we say there shall be changes to all these factors in the days to come. And we do not like the national destruction theorists to neglect these points altogether. Our progressive elements, already greatly different from 10 years ago, will grow stronger. It is a bitter lesson that we should suffer too much during the repeated obstructions in the whole process of our emancipation movement.

Why the Final Victory?

Why should our resistance be a prolonged affair? And why should ours be the final victory?

The basis for the whole problem lies in the fact that the war is no more or no less a life and death struggle between imperialistic Japan and the semi-colonial China. The characteristics distinguishing both the belligerent parties are directly in contrast to one another.

On the side of Japan, her military, economic and political forces not only rank first in the East, but also take an equal place among the five or six important imperialistic powers which, consequently, form the fundemental conditions leading Japan inevitably to the aggressive war, and Chinese, necessarily, to prolonged war. However, owing to the imperialistic nature of her social economy, Japan will find her war characterized by retrogression and barbarism. Both external and internal conflicts force Japan to conduct an adventurous war on the largest cale ever known which, owing to the fact that Japan is no more a flourishing state. Instead of bringing the prosperity expected by the Japanese ruling class, the war will bring Japan to her doom.

It is here where lies the retrogressiveness of the Japanese imperialistic war. To this retrogressiveness, add the fact that Japan is characterized by military feudalism and we get the excessive barbarism which will plunge Japan into the abyss of class conflict nside Japan, national conflict in China and international conflict with the greater part of the world. This is the fundemental basis for the failure of Japan's imperialistic war.

Moreover, despite her military, economic and political strength, the quantity of her whole strength, that is the small size of her country, the inadequacies of her man power, her military, economic, financial and material resources, can not stand a lengthy war. The efforts of the Japanese ruling class to remedy these inadequacies will spell defeat.

Struggles Good Teachers

As for China, all the revolutionary movements from the Opium War, the Taiping Rebellion, the Wu Hsu Reform Movement, the Hsin Hai Revolution down to the Great Revolution of the North Expedition had suffered serious defeat and in the end we find ourselves still weak, still disorganized militarily, economically and politically. We are still a semi-colony, characterized by semi-feudalism. This is the basis for the inevitableness of war and the impossibility of a quick Chinese victory.

On the other hand, however, while our revolutionary movements have been frequently frustrated, the hundred years of struggle for our emancipation have disciplined the Chinese. China is behind Japan in all phases, yet as for herself, she has in the present period, acquired more progressive elements than in any other period in her past history. And it is precisely upon this progressiveness that China lays her foundation for the possibility of prolonging the war and emerging victorious, for contrary to the declining Japanese imperialism, China is a rising nation.

In the conflict lies the righteousness of our cause which will, besides achieving national unity, stimulate our people within enemy camps to resist. China is big and rich in natural resources and man power and able to sustain a protracted war. Finally, at the expense of the retrogressiveness and barbarism of the Japanese war, the progressiveness and righteousness of our cause will achieve an ever extending result in international assistance.

The concrete form of the prolonged warfare will emerge in three stages, the first of which will be a period of strategic offense on the part of the enemy and strategic defense on our part; second, a period of strategic defense for Japan and offensive preparations by China; third, a period of offensive strategy for us, while a retreat for the enemy.

What Must be Done

There can be no more doubt about the prolonged nature of our war. True, none can prophesy the exact term of the period which is to be decided by the degree of changes of the conflicting forces. Given in concrete terms, we must win more battles, wear out our enemy troops, develop guerilla warfare so as to limit the enemy to a small area, strengthen and enlarge the united front, unite the entire nation for the rebuilding of new troops and military industry, push our political, economic and cultural lives, mobilize all the people, including workers, peasants, merchants and students, attempt to win over enemy soldiers, endeavor to win international help, and win over the Japanese people and other oppressed races in order to obtain their assistance.

There is no other way in which the period of war may be shortened, except in the complete realization of all these tasks.

Commercial Press Plans New Plants in South China

Its large Shanghai plant destroyed in the hostilities, the Commercial Press, Ltd., once the biggest Chinese printing and publishing company, is making strenuous efforts to regain a leading position in China's publishing business by building new factories in remote southwestern provinces. *Domei* reported this week. The company's Shanghai Plant, on Paoshan Road, Chapei, was first destroy in the 1932 hostilities. It was conservatively estimated then that the material loss alone amounted to more than $1,500000.

When the 1932 hostilities ended and the Chapei area was handed back to the Chinese authorities, the Company was able to repair its Chapei plant partiality and resume operations in the plant-making and printing departments. The outbreak of another major conflict in Chapei last year dashed to pieces all hopes for the rebuilding of the company's Chapei plant which was destroyed beyond repair soon after the fighting had broken out.

The general administration office of the company then was removed from Shanghai to Changsha in Hunan province, but a branch Administration office remained in Shanghai and another branch office was opened in Hongkong. Mr. Y. W. Wang, the managing-director of the company, spent most of his time in Hongkong which is better located than Changsha as a centre of communications. Two branch plants, one in Peking and the other in Hongkong, have been maintained while shortly before the outbreak of hostilities last year, the company opened a third plant in Changsha.

In Shanghai the company has established a printing plant off Carter Road, although on a much smaller scale than that in Chapei. The company is now making preparations for the establishment of a fourth plant in Chungking Szechuen province and a fifth one in Kweilin in Kwangsi province. Mr. Wang has been entrusted with the task of making all the necessary arrangements for the new plants, *Domei* said.

Japan Bombs Another American Hospital

ON Saturday, September 17, nine Japanese bombers circled twice over the Stout Memorial Hospital of the American Southern Baptist Mission, at Wuchow, in the province of Kwangsi, took bearings and released a cavalcade of bombs above the building on which flew several large American flags.

When the smoke had cleared, the hospital lay in near complete ruins, the result of five direct hits. Shanghai first heard of the hospital's destruction through a telegraphic report received here by Baptist officials. Although there were between 140 and 150 patients in the hospital at the time of the bombing, there were no casualties because of the special precautions taken by Dr. R. E. Beddoe, superintendent of the hospital. The doctor removed patients to a specially constructed basement used as a bomb-proof shelter. What puzzled Wuchow was that the hospital was not near any public or military buildings.

On September 19, United States Consul-General at Canton, Irving N. Linnell, registered a strong protest with the Japanese consul-general at Hongkong over the bombing.

Meanwhile, along the north bank of the Yangtsze Chinese and Japanese troops this week were waging a desperate battle for the possession of Tienchiacheng, generally known as the "Key to Hankow." This week, while Chinese claimed the recapture of Lihsiawan, northeast of Tienchiacheng, they admitted that the Japanese occupied Yatzemiam and Shatszelao. The Chinese command announced intentions of attempting a recapture of these points.

One of the greatest battle in the Sino-Japanese war is expected to be fought at Tienchiacheng, which has been the scene of numerous bloody engagements in Chinese history. Due to its strategic importance and almost impregnable position, history shows that the greatest battle has always been fought at this Yangtsze fort by whichever Chinese general happening to defend Hankow. In thousands of years, it is stated, no defender at Tienchiacheng has ever surrendered, always fighting to the last.

Defense Promised

In a telephone conversation with Hankow on Sept. 20, the commander of the Chinese forces defending Tienchiacheng, which comprise China's best-trained and best-equipped troops, assured the Chinese authorities that the history of Tienchiacheng would not be dishonored by the present defenders, who were, he added, determined to fall with the famous fort.

Tienchiacheng, with the Yangtsze river to the south, a lake to the east and mountains to the north and west, is an ideal stronghold. The Yangtsze flows here through deep gorges. The Chinesee possess elaborate defense works, with bomb-proof, reinforced concrete gun emplacements, the latest types of heavy guns and also a very strong river boom.

The above map was prepared by the Intelligence Department of the Fourth U.S. Marines, Shanghai, and was reproduced in the *New York Times*, August 21. Since the map was drawn, Chinese and Japanese troop positions have altered, Japanese lines extending beyond Kiukiang in Central China, south of Chengchow in the North, and along the Peiping-Hankow Railway, Japanese have pushed further west from Hopei and are now threatening Sinyang, on the rail line.

At the same time, Chinese are carefully watching developments in the Hwangchwan and Sancheng sectors where the Japanese are admitted to have reached close to the Peiping-Hankow Railway. It is pointed out, however, that there is no need for undue concern since the Chinese have strong divisions defending the railway, based on Sinyang. These divisions are the same as those that gave such a good account of themselves in the fighting at Lingyi prior to the fall of Hsuchowfu. They are at present defending the roadway that connects Sinyang with the east, while south of Sinyang is the strategic mountain pass at Wushengkwan, guarding the border of Hupeh Province.

Advance Halted

The Japanese advance towards the Peiping-Hankow Railway south of Chengchow was halted on the east bank of the Chialu river, according to a Chinese military spokesman. Japanese troops from Taikang and Hwaiyang, he asserts, have reached Fukou and Chowchiakou, on the east bank of the Chialu river, through which the Yellow River flood waters are now puring into the Hwai River, in Anhwei.

Chinese units operating in the Japanese rear, the spokesman claims, occupied Taikang and Hwaiyang on Sept. 14, with the result that the Japanese on the east bank of the Chialu river now have the Yellow River flood waters before them and Chinese troops behind them. A Japanese column from Shancheng was advancing this week support of the Japanese detachment pushing on towards the Peiping-Hankow Railway from Hwangchwan. Another column from Shancheng is understood to be pushing southward. Chinese troops are ready to meet them in strong positions in the mountains that run diagonally to the northeast of Hankow on the borders of Hupeh Province.

Further south, in the Kwangtsi area, the Japanese are stated to be pushing on in two columns, one heading westward in the direction of Sungshankou, while the other is heading southward in the direction of Hwanglihu. The southern column apparently aims at joining forces with the Japanese at Wusueh in order to attack the Chinese fortifications in the hills west of Wusueh and in the vicinity of Tienchiacheng.

Fierce Fighting in Northern Honan

Several abortive attempts have been made by Japanese troops west of Menghsien, on the northern bank of the Yellow River, 33 miles north-east of Loyang, in northern Honan, to cross the river. The attempts were frustrated by the Chinese defenders, *Kuo Min* reported this week.

Japanese artillery units stationed west of Menghsien fired across the Yellow River towards the Chinese positions ta Tiehsieh and Paihaochen, north-east of Loyang, on Sept. 18. Chinese batteries on the southern bank replied vigorously. Motoring southwards from Tsungyichen to Menchsien on Sept. 17, a convoy of 52 Japanese military trucks, carrying 500 Japanese soldiers, was attacked by Chinese troops near Lochwang, south of Tsungyichen. After severe fighting, more than 80 Japanese were killed and three trucks destroyed. A furious counter-attack on the Japanese garrison at Po-ai (Chinghua), the western terminus of the Taokow-Chinghua Railway, was launched by Chinese troops on Sept. 16. Chinese vanguards succeeded in entering the south gate of Po-ai where they engaged the Japanese in street fighting for several hours.

An Open Letter to Americans

BY YU ZWE-YUEN

DEAR Americans:

It is my great joy to inform you that American citizens here in China are all taking a sympathetic attitude toward the Chinese and that they are actively showing it in a good many ways in Japan's undeclared war on China. They have unmistakably manifested lofty ideals and far sightedness, befitting the people of a great nation.

But lots of news from America about your attitude concerning the present conflict are rather confusing and misleading.

Your sympathy is evidently with the Chinese. But your scrap iron and other war materials have gone, and are still going to Japan to be made into bombs and other weapons, not only to kill Chinese but to sink your ships and planes as well. Your airmen and others have come to help China, you are contributing generously to heal the wounded and to help the homeless here. But your oil is incesantly going to Japan to make the Japanese mechanical units move and to make the Japanese air bombing possible and effective. Japan produces only ten percent of the oil that she uses. More than fifty percent of her oil is from

THE ACCUSER ACCUSED

Carmack in Christain Science Monitor (Boston)

America; and if you had threatened to stop to supply her with oil, she would not have dared to embark on this war. Your pro-Japanese industrialists, however, are opposed to such a move. In order to manifest your attitude against Japanese aggression you have launched a campaign for a boycott against Japanese hosiery and other goods. But those who are directly or indirectly under Japanese influence are clamoring for an anti-boycott. Money can make people pleased, and the Japanese have cash ready. China, however, is a very poor country. You dont want to see a greedy and aggressive Japan getting too strong, but the material of your country is supporting her. On one hand, we feel your friendship and sympathy for war but, on the other, we see you running the Japanese columns to attack us and we also see your iron and other war materials in the form of Japanese ammunitions to kill us. Your house is certainly divided. Are you aware of such a state of things?

The present struggle here does not mean only a life or death problem for China but also the key to Japanese conquest of whole Asia. If Japan is defeated her militarists will be overthrown, China will be saved, and there will be peace for all Asia. You on the other side of the Pacific may surely have no more trouble from the Japanese. If China were defeated, then China and all Asia would have to bow before the Japanese military. With China as her colony, Japan will increase her population and material resources by many lines. If a materially poor Japan, as she is now, is strong and aggressive and is making every peace-loving nation worried, what a rich and consequently, stronger and more aggressive Japan would do, ought to be in the mind of peace-loving people. You are her next-door neighbor. Do your realize this?

Japan Prepares for War Against U. S.

Japanese farmers in California and elsewhere in the United States are waging a throat-cutting competition with your farmers, and Japanese businessmen are rivalling you everywhere. His immigration to the Philippines have quietly and trickily taken your Davas and secretly organized the Filipinos into a revolutionary society against you. Japanese fishing (?) boats have sounded your naval bases and taken photos of your forts, and made charts of your coastal waters. Her espionage work in the Philippines, in Hawaii, and on the American Pacific coast is as active as in China. After personal observation a member of the Military Affairs Commission of your House of Representatives, recently reported that the Panama Canal zone is swarming with Japanese agents. And if Richard Rowen is worth his name, his prediction that "Japanese coastal ships will have little difficulty in blocking the Panama Canal in case of war" deserves your attention. The Japanese are making every effort to get ready to fight you. If you can see through the Japanese ambition, you ought to clearly understand that the present "China Incident," as Japan calls it, is but a Japanese preparation to get more resources and man-power for a larger war to be waged on the United States. The well-known Japanese Tanaka Memorial for the conquest of Asia and the world is now not a paper talk, but a well-planned national policy to be deliberately yet surely carried out step by step. Do you see it? Are you getting ready to meet such an eventuality?

At the beginning of the Japanese invasion here last year, we heard a lot of American talk about Neutrality Law and Isolationist Policy, and about withdrawing from China. The isolationists were very strong. Consequently, Secretary Hull was alleged to have advised the Americans in China to evacuate "at their own expense;" President Roosevelt was quoted to have stated that "7,780 Americans still in China are there at their own risk;" the American Ambassador to China left the Chinese capital; and the American gunboat Panay was sunk. You mistook the Japanese as friends and the Japanese mistook you as cowards. Mistakes such as these are terrible; and should such mistakes be kept on far more terrible consequences are bound to come. If you want to remain out of the war, it is your right. But world conditions are developing and changing very quickly; your people are quickly taking sides, and you can not, and should not, keep your house long divided.

The Japanese Fascists take law in their own hands and know when and where to buy, to cheat, or to fight. War clouds are gathering in the East and in the West and world is so closely and tightly bound together that the isolationists will sooner or later will find themselves not isolated. They talk about Neutrality Law, but nobody is going to observe it. They wish to be isolated, but they are not and will never be. They sit at home in America and ridiculously tell their fellow country men abroad to evacuate from their homes. Do they think they are entitled to enjoy their home while the Americans abroad are not? Are they privileged to deserve protection of the American Government while the Americans abroad are not? In the Feudalistic Age there were no good means of communication and transportation, and people at different places did not know each other and were not interested in each other. They were in some way isolated. Yet by nature they desired to know and to communicate with each other, and, consequently it has taken centuries for humanity to come to the present stage of world communication, mutual knowledge and understanding, and mutual dependence. The world of the 20th century is characteristically a world of interdependence, far advanced from the Feudalistic Age of isolation.

The so-called isolationists, however, come along and wish to put you back from modern America into a condition of feudalistic isolation. Can they make America a paradise in such a way? Your historian, Charles A. Beard, has retorically announced that "All the territory between Siberia and Singapore is not worth the bones of a single American young man." But the glaring fact is that there are many thousands of American citizens in this territory and that they are worthy American living souls, not worthless dead bones of a by-gone age. According to latest news, the isolationists are talking about revising their policy. I suppose they would revise and revise their policy till such a time when they could no longer call themselves "Isolationists."

Japanese Viewpoint and the Isolationists

It might help you to understand better if you compare the Japanese way of looking at things and that of the isolationists. Your isolationists want your own people abroad to come back home; but the Japanese encourage their people to

go to America, China, the Pacific islands, and other places to develop their business and industrial interests and to increase their political influence. The isolationists hope to avoid trouble; but the Japanese expect to create trouble in order to realize their ambition. They have repeatedly invaded China, and each time they found an excuse. Your isolationists want your citizens abroad to return home at their own expense"; but the Japanese abroad can always get governmental subsidies. Isolationists wish your people to get away from risks in foreign countries but the Japanese ask their people abroad to take risks for the name of Dai Nippon (Great Japan). Thus the Japanese can go everywhere, and the isolationists will go nowhere. The Japanese are resenting your Immigration Law and taking it as their national humiliation. Hatred against the United States is being developed among the Japanese people. For what?

Your late President Woodrow Wilson was fooled by European diplomats, because he did not know the greedy and aggressive and hatred-inspired Europeans well enough, and also because he was too compromising with them. Do you know the greedy aggressive, and hatred inspired Japanese well enough? Are you not too compromising with them? If you have watched the Sino-Japanese events since the Japanese adventure in Manchuria, you know the repeated compromises China made with Japan for peace. But the already fat and strong war-monsters in Japan have been getting fatter and stronger thru their gains, and we can not avoid war with them any way if we are to live. Moreover our Manchurians and Mongolians are being forced to fight us on all fronts. Your newspaper correspondents and others who are familiar with the situations in the Far East well know how trickily the Japanese can buy the corrupt officials and cheat the ignorant people, and how ruthlessly they can force the innocent peace-loving people to the battle front.

We are learning a very very bitter and terrible lesson from our compromises. Should you keep on your present attitude of indecision—which is strategically speaking a compromise and retreat—and find enslaved Chinese being forced to fight you on the Pacific sometime later, it would be a too bitter and terrible lesson for you. The British conservative cabinet members turned down your gestures for cooperation against aggression at the time of Japanese adventure in Manchuria and they have repeatedly tried to compromise with the aggressors. But nothing Britain has gained and the world as a whole has repeatedly suffered so far. The British Prime Minister Chamberlain is supposed to have reached some agreement with Italy. But the latest news from Europe is that two British vessels are sunk by the Italian tool Franco Government. If a wolf could be made a friend, there would be no war scares.

What Can You Do?

The United States is a great country and Americans are a great people. If you can handle the world situation tactfully and nimbly, you yourselves may not necessarily go to war. You can rally the public opinion of America and the world to stop the war and to lead humanity for peace. If my present understanding is correct, the isolationists can not sway your Government now as they formerly did. You can tell them not to be too scared by the war monsters, that they may see better and know better how to deal with the disturbers of peace. If some short-sighted industrialists should stand in your way, your statesman can force them to do something for mankind and for peace as Theodore Roosevelt did 'with a big stick'. If the Economic Sanctions against Italy during the Italo-Abyssinian War failed to accomplish anything humanity has learned as much and can do so much the better. In the eyes of the world Russia and Gaert Britain are prejudiced, and no other nation besides the United States is strong and fitting enough to lead the world out of the present sufferings and chaos. All the forces of the world for peace may be called and mobilized to back you. And eyes all over the world are watching you and waiting for your lead. Are you ready to do something for mankind?

Taichow, Chekiang, China.

China Pays Debt for Damage Done to Pres. Hoover

Through her embassy at Washington, China paid the State Department of the United States Government $265,887.47 Sept. 15 for the damages caused the ill-fated Dollar liner President Hoover in the bombing of the trans-Pacific steamer outside Woosung on August 30, last year. Chinese authorities explained the delay in paying the Hoover damages by the fact that the final bill from the United States Government was not received until June of this year. The bill was immediately sent to the Finance Ministry and an appropriation to make full payment was authorized. The sum was remitted by wire to the Chinese Embassy at Washington for immediate payment, and full settlement of the incident.

The Hoover was entering the harbor from Manila and Hongkong on her way to America when Chinese bombers, mistaking her for a giant Japanese transport, dropped several bombs, two of which hit the liner, killing a member of the crew wounding others and causing material damage to the luxurious steamer. The Chinese government immediately apologized for the accidental bombing and pledged full reparations. The Air Force Headquarters also took disciplinary action against the aviators who bombed the liner. A few months later, when going to Hongkong from the United States via Japan, the Hoover went aground near Formosa and had to be abandoned. Today, the liner once the pride of the American merchant fleet on the Pacific, has been sold as scrap iron to Japan

Japan Arrests 10,000 for Control Violations

Evidence of a widespread squirming by Japanese people under the Tokyo government's strict regulations for economic control is seen in a report in the *Japan Chronicle* that up to August 15, 10,181 persons had been arrested on charges of violating the various laws governing economic restrictions. The following table explains:

	Number of cases.	Number of people arrested.
Cotton yarn and cloth	4,603	4,953
Rubber	104	127
Leather and hides	379	402
Others	4,715	4,699
Total	9,801	10,181

Several officials of the Osaka Branch of the Men-Ko-Ren, an association of small cotton weavers and finishers, are being examined by the police in connection with alleged illegal transactions in cotton goods, the *Chronicle* said in its September 1st issue. Included among them is Mr. Senji Ozawa, sub-manager of the Control Department of the Association.

It is alleged that an official named Miyake sold a ticket for 200 bales returned by a Hamamatsu weaving mill to three mills in Kaizuka and elsewhere for a lump sum of Yen 11,250. An inspector sold a ticket for 100 bales for Yen 5,000. Teijiro Nishimura, chief secretary of the Kishiwada Weavers's Association, is alleged to have obtained Yen 6,000 in bribes in connection with the allocation of tickets. Four tinplate merchants in Osaka are also being examined on suspicion of having violated control measures. One of them is alleged to have sold tinplate worth Yen 11,000 without tickets.

The Economic Police Section of the Kyoto Prefectural Office, learning that the Nonomura Shokai at Omiya Gojo, Kyoto, was making an illegal sale of iron materials summoned Mr. Tanejiro Nonomura, the representative of the firm, recently and examined him. The police examination disclosed the fact that the firm sold 30 tons of iron to the Rissho Electric Machinery Works at Nakashimacho, Shimokyo-ku, Kyoto, during July and August in violation of the control regulations. It was further ascertained that the Ichikawa Shokai at Kujo Minami-dori, Minato-ku, Osaka, supplied iron materials to the Nonomura firm without official permission. Mr. Kakushiro Murase, the representative of the Rissho Electric Machinery Works, and Mr. Ichitaro Ichikawo, the representative of the Ichikawa Shokai, as well as Mr. Tanejiro Nonomur, of the Nonomura Shokai, are expected to be indicted on the charge of the violation of the supply control regulations.

It is further alleged that a certain big company, capitalized at Yen 20,000,000 has been selling over 20,000 tons of iron to the Ichikawa Shokai and other firms every month in violation of the regulations. There has been little abatement in the police activities into the alleged illegal transactions by leading cotton dealers in Osaka.

A squad of plainclothesmen visited the offices of the Tazuke Shoten, one of the largest interests in Semba, and arrested Mr. Shiba, sales manager of the Cotton Yarn Department, and five others, It is alleged that the Tazuke concern has been selling yarn without tickets or at higher prices than the official quotation. It is stated that the irregularities were brought to light in the course of the examination of the case involving the Toyo Menkwa Kaisha.

Money Law Tightened

Officials of the Tokyo Ministry of Finance took steps Sept. 16 to tighten foreign exchange control regulations as a sequel to the arrest in Kobe of 27 members of an alleged international money smuggling ring. Measures will be taken to stop all possible loopholes for violation of exchange regulations, *Domei* was informed. The alleged smuggling ring was believed to have reaped a profit of about one million yen in two months by taking American dollars from Japan to Shanghai, where they were exchanged for Japanese yen. Members of the band also were alleged to have smuggled gold watches and platinum into Japan from Europe and America. The 27 under arrest comprise 18 Russian Jews, an American, an Englishman, an English woman, four Chinese and two Japanese.

It was reported that the police expect to arrest as many as 160 more. Some members of the ring allegedly travelled frequently between Kobe and Shanghai as agents for the leaders to take American money to the latter city. Police seized 12 dozen gold watches at the home of one of the members of the ring.

Chinese Government Relief Policy Is Praised

RELIEF of refugees from the war areas is now being carried out by the Chinese Government efficiently and along a well-designed program, Dr. John Earl Baker, director of the Shanghai International Red Cross, told the *China Press* this week on the basis of information he gathered during a visit to Hongkong. Dr. Baker, who talked a to number of Chinese and foreigners actively connected with refugee relief work, stated that in his opinion the programs now being executed by the Government are based on a sound policy.

One of two main points of this relief policy, Dr. Baker stated, is to refrain from encouraging Chinese farmers to move too far into the interior. Instead, the Government was stated to favor the return of the peasants to their farms as soon as conditions settle down after the fighting. This policy regarding the farmers, it was explained, is being dictated by the Government's desire to avoid any serious food shortage. In the rice and wheat planting country, the crop prospects are reported to be good and the authorities are anxious that the grains should be harvested instead of being allowed to rot in the fields.

Farmers who live in area in direct line of the Japanese drive are encouraged to spread sideways. They are not being moved into the interior. As soon as the fury of the war passes, the peasants are giving encouragement to return even though their homes are in Nipponese-occupied areas. For craftsmen, merchants, teachers, the Government relief workers are following another line of policy, Dr. Baker reported. These people are being moved, often at the expense of the Government, far into the interior.

Handicraft Emphasized

In Yunnan, Szechwan and other interior provinces, particular attention, Dr. Baker said, is being paid to handicraft industries Craftsmen from the war areas are being evacuated by the Government to regions not threatened by the war where they may resume their productive work.

The Government is also redoubling its effort in extending China's educational facilities, the local relief executive said. Teachers in the war areas the being transported to the interior by the Government which has instructed all *hsien* magistrates to aid in setting up new schools. In villages where no schools existed before the war, the refugee-teachers are being given $3 a month for three months to enable them to eat. After that period, these people are expected to establish school which will provide them with jobs, Dr. Baker revealed.

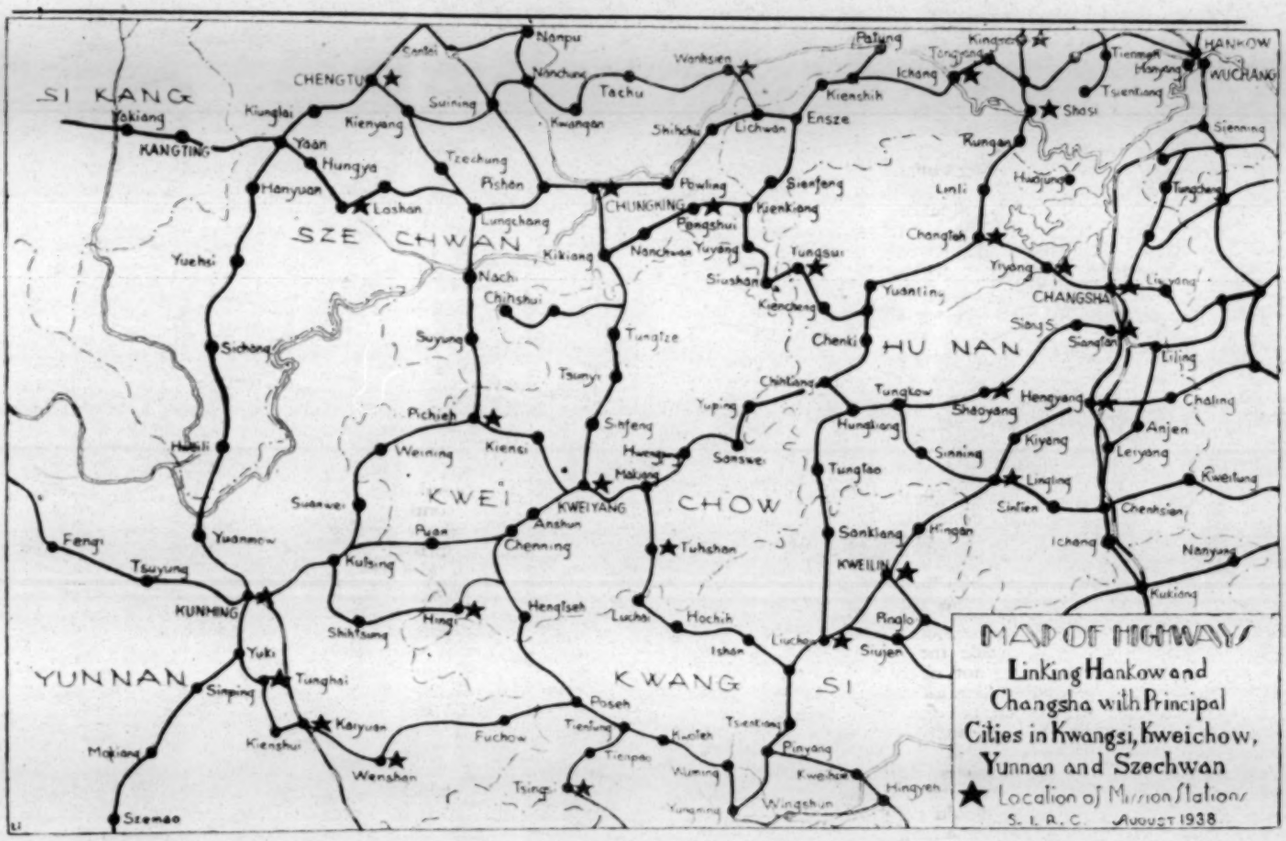
Working in this manner, the Chinese Government is now utilizing a great portion of white-collar workers, who had been thrown out of employment by the war, to tackle one of China's major social problem—illiteracy, it was revealed. In his talks with relief officials, Dr. Baker got the impression that the Government has allocated ample funds for relief purposes. He is also of the opinion that the money is being spent for useful and constructive purposes.

Acute Medical Need in China's Northwest

Urging the co-operation of all Chinese and foreigners in helping to alleviate the sufferings of wounded soldiers and partisans in China's Northwest, an appeal has been made by a Canadian missionary doctor, who, after having spent over four months of voluntary mercy work there, has come to Hankow soliciting aid to maintain medical services in the provinces of Shensi, Shansi and part of Hopei where qualified doctors, medical supplies and surgical equipment are still far from being adequate.

In a letter appealing for aid, this doctor, whose name is withheld here at his request, described human sufferings in the war-inflicted Northwest as "the wounded gradually dying of sopsis, under-nourishment and dehydration, rejected by life and unclaimed by death" and that the whole way he travelled was "one procession of misery and appalling conditions." "Apart from this," he said,

NETWORK OF ROADS REFUGEES ARE TRAVELING



S.I.R.C. News Bulletin

With the shift of the center of fighting towards the central provinces of China, hundreds of thousands of refugees from these provinces are already on their way to points west and southwest—Szechwan, Kweichow, Yunnan and Kwangsi. It is reported that 200,000 have been already evacuated from Hankow during the last two months.

Because of the lack of funds and transportation facilities, the refugees will have to walk most of the way to places of safety. Much hardship will no doubt be experienced. Hunger, starvation, illnesses may arise. Unless aid can be obtained for these refugees in their long trek over strange lands, many of them may not survive the journey. The above map shows a network of routes leading to such principal cities as Kweilin, Kweiyang, Kunming, Chengtu, and Chungking. In the bigger cities on these highways, mission stations are to be found. These Missions may serve as service stations from which necessary relief may be obtained for refugees, provided funds are available. The Consultative Committee of the Shanghai International Red Cross is prepared to receive any donations designated for the relief of these refugees.

"the Japanese burned out many towns, including Wusiang, Liaochow, Kaoping, Sinchow, etc., (in Shansi Province), inflicting great suffering on the people who are homeless and face a harsh winter."

It is understood that as a result of the appeal the International Red Cross for Central China has agreed to subsidize 100 beds and allot about $10,000 worth of drugs and other medical supplies when the hospital at Liaochow in Shansi Province is reopened, this grant being additional to an earlier allocation of about $29,000,0 to the 8th Route Army for medical work. Despite these pathetic conditions, this missionary doctor, together with another foreign medical doctor, worked wonders among the wounded and the sick. Marching with the partisan forces from one place to another, they examined and operated on many wounded every day. On the day before he left for the Central China City, the Canadian doctor performed nine operations, mostly consisting extractions of bullets, shrapnel pellets and dead bones, apart from many other minor operations.

Need is Great

"We were constantly on the hop from morning to night. Our longest stay in one place is two weeks, but the average is three or four days. Everywhere the need is great, both of money and doctors. So shorthanded, the task is overwhelming, but we did the best we could. We treated Japanese prisoners of war just the same, in fact, we make no distinction between soldiers of either side," the doctor recalled.

This Toronto University trained missionary doctor estimated that it would take over 100 good doctors a full year to help these sick and wounded, besides a large amount of money. "Something must be done at once to provide them with clothes and bedding, also to alleviate the distress of the peasants. Foreign bsuinessmen in China should do more in aiding the tortured," urged the doctor, who also recommended that a large hospital for the wounded fo the armed forces and the partisans and temporary living quarters for the destitute civilians, particularly women and children and the aged, be sateblished without delay. Already the appeal of this Canadian doctor has been warmly responded to. Additional to the grant by the International Red Cross, the Chinese Red Cross Medical Relief Commission has promised to send with him a complete unit of trained Chinese surgeons, doctors, and nurses to Shansi. More assistance from both abroad and other parts of China are still most anxiously awaited.

Everywhere in the Northwest, the missionary doctor observed that there was a keen desire by the officers and men of the Eighth Route Army and civilians to welcome foreign missionaries, particularly doctors and nurses. He had received assurances of complete cooperation and assistance by them.

Hankow Capture Not To End Hostilities, Japan Says

"Operations for the occupation of the Hankow area are proceeding smoothly but we do not think that the capture of the Wuhan cities will end the hostilities," Premier Konoye told Tokyo newsmen last week. The Permier discussed the China situation in a lengthy interview after his return form Gotemba, where he consulted Prince Kimmochi Saiongi, only surviving elder statesman.

"We must go on with firm determination to over-throw the Chiang Kai-shek regime and to carry out rehabilitation measures in China over a long period," Konoye declared. Important policies for the purpose of carrying out this long-term rehabilitation already have been decided at the five-Minister concrete plans for rehabilitation are inseparably related to such questions as the maintenance of order, development of economic resources and adequate provision of necessary. The authorities in charge of these matters are preparing detailed programs with the three questions in mind.

"The policy which the government decided upon to bring about the annihilation of the Chiang Kai-shek administration has not undergone any change whatever since the statement to that effect was issued Jan. 16. I think the close relations between the Kuomintang and the Communist Party will result in the gradual strengthening of the influence of the Communist Party as the hostilities progress.

"In this connection, there is a growing opinion that the Italo-German-Japanese anti-Comintern accord should be strengthened. The government approves of a strengthening of the Berlin-Rome-Tokyo axis and concrete plans concerning this question are being considered." The Premier reaffirmed that the government intends to respect the rights and interests of the Powers in China. He said Japan has no intention of closing China's door against third Powers; he added that they "must be persuaded to abandon their assistance to the Chiang Kai-shek regime."

Japan Ready To Continue Hostilities-Itagaki

Japan's readiness to continue hostilities in China so long as anti-Japanese and anti-Manchoukuo influences and pro-Communist sentiment remains active, was voiced by Lieut.-Gen. Seishiro Itagaki, Minister of War, on the same day in Tokyo. The operations, he said, would be kept up "ten years or more." The War Minister expressed regret that the present conflict should have occurred, declaring that the hostilities should be made "a crusade for the reconstruction of the Far East and not a war of destruction."

Trouble Brewing Again on Manchurian Border

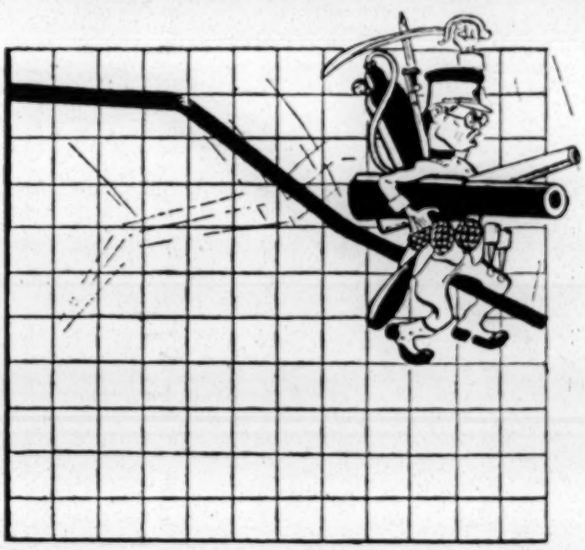
AFTER remaining in a state of semi-quiet for nearly a month, things began to stir this week along the Siberian-Manchurian border. On September 19, Nobusada Shimomura, foreign affairs commissioner for Manchukuo in Harbin, called on the acting Soviet consul-general to file a vigorous protest against the invasion by Soviet cavalrymen of Manchukuo territory, west of Manchuli, on September 18.

A request that the Soviet authorities inform their military commanders not to repeat such violations of Manchukuo territory was included in the note. Several Soviet cavalrymen, said to be detailed to guard the 86th shunting station of the spur line linking the North Manchuria to the Ussuri railway were alleged having penetrated several hundred meters into Manchukuo territory before being repulsed by Manchukuo border guards.

Tokyo Says Soviets on Decline

Declining Soviet influence in world politics is affecting the Chiang Kai-shek regime in its "futile" struggle agianst Japan, the *Miyako Shimbun* asserted Sept. 20 in an editorial commenting on

GRAPH OF JAPANESE ECONOMY



Moscow Daily News

the latest Anglo-French attitude regarding the Czechoslovakian issue. The exclusion of the Soviet Union from the conference tackling the Sudeten German issue was taken by the journal as an indication of the decline of Soviet influence in the world politics.

The journal stated that there was no other way left for an amicable solution to the Sudeten issue than to cede that district to Germany as reportedly agreed by Great Britain and France. The question, however, lies in the attitude of Czechoslovakia who will lose her national independence if she enters into a war with Germany single-handed, the journal continued. It is wise for Czechoslovakia to accept a compromise plan for a solution of the Sudeten German issue. With the Sudeten issue as the turning point, the anti-Comintern cordcon has been strengthened to a marked degree, the journal said.

In conclusion, the journal stated: "We must not be too optimistic over the Anglo-French attitude vis-a-vis the current Sino-Japanese conflict."

Second Material Mobilization Plan Drafted

A second material moiblization plan covering the fiscal year for 1939 was mapped out by the Japanese Cabinet Sept. 13. The material mobilization plan will be linked with the national budget on a fiscal year basis starting every April instead of January, as was the case with this year's plan.

Co-ordination of demand and supply in connection with the main products of Japan, &anchukuo and China will be carried out. Five branches of industry, labor, electric power, transportation, communication and trade, will co-operate.

The National Planning Board of the Cabinet conferred with Ministries concerned on maintaining supplies of materials necessary to formulate the mobilization plan for January, February and March of next year, to fill up the "planning gap" created by the change from a calendar year to a budget year basis. It was expected that the material mobilization plan will play an important part in assisting the government to execute its solicies in China.

Poland—The Enigma*

In the last few years the Polish Foreign Office has become the scene of almost feverish activity. Its agents and officials travel to European capitals singly and in groups, and watch with sharp eyes everything that happens on the continent. No diplomat goes to lunch with another that Warsaw does not take note. When an official of Country A vacationing in Switzerland happens to "drop in for a call" on an official of Country B who also happens to be vacationing nearby, Poland takes note of the date, the place, and the possibilities involved. Polish Foreign Minister Josef Beck has done as much traveling around to foreign capitals in Europe within the last few months as most foreign ministers do in a year.

All these activities in and out of Warsaw are of great interest to the chancelleries of Europe. They are watched with suspicion, with uneasiness, and sometimes even with incredulity. Now and then they are regarded with approval and sympathy, but not often, for Poland has few close friends in the European family of nations, and she has many enemies, both former and potential.

Poland's Position

Referring to Poland's geographical position—caught between the two large and hostile powers—the Soviet Union and Germany, H. R. Knickerbocker once said, "The foreign policy of Poland is that of a nut in a nutcracker." But even so—Polish policy has been a European enigma for years. Which way is the nut going to jump? Will it crack? Or will it prove to be stronger than those who might wish to crack it? Instead of being frightened and passive, Poland at times has shown a surprising belligerence, offending Germans and Russians in turn. One day she seemed to be with Germany, the next with Russia, and no a third she would be off on some tangent of her own. No one seemed to be quite sure where she stood or where she would jump next. She has had many alliances, but none of them have been as close as the Berlin-Rome or London-Paris axis. In all her dealings, however, she has had the air of a nation well able to take care of herself and ready at the drop of a hat to prove it.

If Polish foreign policy is an enigma in Europe, it is almost a complete blank in the United States where little is known even about Poland itself, to say nothing of its policy. Americans have some knowledge of France, Italy, Great Britain, Germany, and Russia, the great power of Europe. We also know something of "war-torn Spain," "little Austria" and "brave little Belgium," Czechoslovakia, and other neutrals, but here in Central Europe is a nation which is neither little, nor war torn, nor yet a first-class power, although it is fast approaching the latter.

It is very possible that one reason for unfamiliarity with Poland and its doings may be the result of the forbidding aspect of Polish names. Before the war, Lemberg, Posen, and Warsaw were all easy to pronounce. But today they have become Lwow, Poznan, and Warszawa in pronunciation. And the names also change rapidly. The town where Germany and Russia signed their armistice, for instance, Brest-Litovsk, has become successively Bresc-Litewsky and Bresc na Bugu. Even worse are the names of Polish dignitaries. It is one thing for anAmerican to talk with his friends about the doings of Neville Chamberlain, Anthony Eden, Adolf Hitler, and Leon Blum, but it is quite another to talk over those of such Polish statesmen as former President Marjan Zyndram Koscialkowsky, or of the cabinet members Thaddeus Kasprzycki, Władyslaw Rackzkiewicz, and Wojciech Swietoslawsky.

A Strange Country

Behind this formidable barrier of names, there is a large and fascinating nation whose policies today are a very important force in European affairs. It is a strange country, full of contradictions. It is new, and yet ancient. It is very warlike, and yet a strong factor for peace. Its peole are great lovers of liberty and independence, and yet betray (the ruling class, anyway) what is almost contempt for democracy. On one side Polish life is brilliant, and on the other miserable.

Poland is new because it was created only 20 years ago this coming November out of the ruin of the old German-Austrian and Russian Empires. In the century previous there was no Poland, but only a region where Poles lives. But in these 20 years Poland has built itself an army, a small navy, and an air force. It turned a little fishing village on the shores of the Balitc Sea into the prosperous modern seaport of Gdynia. A new Polish merchant marine of 70 ships now plies the seas with direct lines to New York, Mexico, South America, Palestine, and other European points. Looking at Gdynia, one sees the new Poland—noisy and unbeautiful. Ugly buildings are strewn about with little regard for design, everything looks new and hard, and the town might well seem to be all surface and no depth. It is somewhat the same in the new industrial centers which are being built up in the center of the nation. But if there is little feeling for beauty in the new Poland, there is an imposing driving force and a feeling of a new power in Europe, one of 32,-133,000 people blostered by an exuberant spirit of nationalism.

The American Observer.

Ancient Poland

The other Poland—the ancient state—dates back to the year 966 A.D. It can be seen in the University of Lwow which was founded in 1661, or in that of Cracow, founded in 1364. It can be seen also in Warsaw, the capital city which, perhaps more than any other in Europe except Budapest, still clings to the royal traditions of prewar Europe. Today it remains as sort of an anachronistic St. Petersburg. Its cobbled streets still ring with the clatter of cavalry (the Polish cavalry is among the world's finest), its palaces still know the doubtful splendor of state balls. Life in Warsaw—with its trappings of aristocracy, and a host of young officers—still retains a prewar brilliance.

Not so the country outside of Warsaw. Take the village of Brzeziny, for instance, about an hour's drive from the textile center at Lodz. Here is the other Poland,—one of tortuous narrow streets, broken sidewalks, sagging houses. Evereywhere one goes in Brzeziny one sees poverty and more poverty. One American writer said it reminded him of a cemetery. Everything seems to have been long dead, including the broken people who huddle for 18 hours a day over sewing machines inside the dark and cramped houses.

THREE MICE WHO WENT ON A RAMPAGE

Orr, in Chicago Tribune

We have suggested above that the passion for liberty and independence so characteristic of the Polish people has ever been tempered by a contempt for democracy. On one side there are Poles like Count Pulaski, who performed valuable services for George Washington in our own revolution. There is the remarkable picture of an ancient nation which, having been cut up three times, finally vanished altogether from the map of Europe, only to rise again out of the ashes in 1918 stronger than ever, and more closely knit than previously. But as opposed to Pulaski there are the Poles who ranged unchecked through the streets of Jewish towns periodically looting and destroying, and there is the Poland which, having won the acclaim of the world by fighting Germany and Russia simultaneously, and winning over both, turned on its own minority, the Jews, in an exhibition of cruelty that has only been matched by the Nazi pogroms in Vienna.

In 1993, when Hitler came to power, the Poles suggested to France that the two powers undertake a joint preventive war against Germany. France was willing, but England rejected the idea.

It was the same story again when Hitler prepared to remilitarize the Rhineland in 1935. More recently Poland took advantage of the world's confusion over Hitler's invasion of Austria by preparing to invade Lithuania if that small country did not comply with certain Polish demands.

But whether Poland loves peace or war for its own sake, she is finding it more and more necessary to try to achieve a lasting peace in Europe for her own protection. And that need will easily be seen by consulting a map of Europe. Like Hungary and Czechoslovakia, it is her misfortune to be situated athwart the cross-roads

of Europe. The Slavs on the east, and the Germans on the west, historically unfriendly races, can only fight with one another on the soil of the small nations between. Lithuania, Lativa, Poland, and the lands of the Czechs and Solvaks have again and again been laid to waste by foreigners fighting other foreigners.

Three Possible Courses

It is no wonder, then, that Poland does not went to become a pawn in European power politics again. The World War was a lesson to her, and to all her neighbors, none of whom escaped, while the actual territories of Germany and Russia were very little damaged. Since she cannot alter her geographic position, the only thing Poland can do is to make the best of what she has, and to this end there are open to her one of three paths: (1) she can ally herself with Germany, (2) she can ally herself with the Soviet Union and France, or (3) she can exert her efforts in the direction of maintaining strict neutrality and doing everything she can to keep the two great hostile power from each other's throats. Viewed in that light, Poland's recent activities make sense.

Most observers feel that she has chosen the third course, that of strict neutrality. The recent visits of Foreign Minister Josef Beck to neighboring states are interpreted as an effort to build a strong barrier of small but united neutral states all the way from the Baltic Sea south to the Black Sea. Such a barrier would make it next to impossible for Germany and Russia to ruin the in-between nations again by resorting to war, for Germany and Russia would be completely cut off from one another except by sea. Thus this barrier of netural nations would become sort of a "fire-door" in eastern Europe. At the first sign of a conflagration it would be banged suht and tightly bolted. The nucleus of such a block would have to be Poland, for two reason: Poland is the most powerful of the participating states, and it is the only nation which borders both Germany and the Soviet Union. Across any barrier but that of Poland, the invading forces of Germany or Russia would have to cross two countries—either Czechoslovakia and Rumania, or Lithuania and Lativa.

Needless to say there are many people in Europe who are pleased to know that there is such a force working towards peace in eastern Europe,—if it is true that Poland is working for peace. Such a union of neutral states would include all three Baltic states, Poland, and Rumania. Coupled with Poland's barrier, there are others—the Scandinavian bloc, for instance, of Denmark, Sweden, Norway, and Finland, comprises such a force for peace in the north while in southern Europe a Balkan bloc of Yugoslavia, Greece, Bulgaria, and Turkey seems similarly inclined. Three such neutral barriers would certainly help to localize any European outbreak, and apply strong brakes to any ambitious military machine abroad in search of allies.

The One Catch

It is said that recent Polish foreign policy has been concentrated on this one effort—that the ultimatum was presented to Lithuania because that state had long had poor relations with Poland and leaned toward the Soveit Union. Therefore the Poles acted to bring Lithuania into the neutral bloc by intimidation, and they did so because they could not bring this small state into their sphere in any other way.

But there is one catch—so some people think—in this business of the neutral bloc. Czechoslovakia is not included. Polish relations with the Czech government at Prague have never been too cordial. Both nations blame the other for acting "arbitrarily" at various times since the war and, both, while not actually hostile, have shown little inclination to reach any understanding with the other upon an equal basis.

This has given rise to a fear that was recently very forcibly expressed in *Pravda*, the official Soviet paper published in Moscow. *Pravda* claimed that the so-called neutral bloc is not a neutral bloc at all, but a secret alliance against the Soviet Union that is headed by Germany and Poland. Such an alliance, the Soviets believe, is aimed at reducing to nil any efforts that neighboring states might feel inclined to make in the event of a German invasion of Czechoslovakia. It is thought in Moscow that the Poles may even join the Nazis in invading Czechoslovakia in order to retrieve land which they claim rightfully belongs to them.

The Poles themselves, however, reject this claim. They assert that they have as much to fear from Germany as from the Soviets, and they point to the Polish Corridor which was carved out of Germany, and to the 724,000 Germans living in Poland. Summing up his thoughts on the subject in the current issue of the *Contemporary Review*, Kazimierz Smogorzewski writes: "Poland's foreign policy is neither pro-French nor pro-German nor pro-Russian. It is Polish alone. The sooner this simple fact is realized, the less misunderstandings and disappointments there will be."

Conditions in Soochow Told

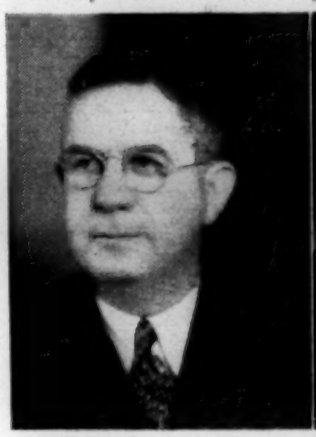
That Japanese-occupied Soochow is learning a new mode of life under Nippon rule appears to be the text of the opinion of an American traveller, recently returned from that city. Bringing to Shanghai current social and economic conditions there, the American gave several interesting sidelights on the general situation in the "Venice of the East." Schools have been reopened, but none above junior high. The Jepanese language is compulsory from the fourth grade up, while there is a Nipponese influence in the other subjects. Principals of institutions are required to attend "short term" sessions at the Nanking Normal School, "to learn proper methods of teaching."

While Christian missions are attempting to return their hospital properties, Japanese have installed Chinese doctors in these institutes. Missions can so far operate only their clinics, where they handle as many as 400 cases a day. Under Japanese commanders, a new police force from the Chinese population is being recruited. About 80 percent of the normal 350,000 population remains in Soochow. Business and industry are still suffering, but nevertheless rapidly rising out of the immediate after-effects of local hostilities. Chinese newspapers are all under Japanese control. However, said the traveller, those from Shanghai are uncensored. "The Japanese troops in Soochow are now under good control," he concluded. "Generally they pay for what they buy and don't molest people."

Gauss Returns; Lockhart to Leave for Peiping

TWO important Americans marched across the Shanghai scene this week. One was Clarence E. Gauss, the returning U. S. Consul-General at Shanghai; the other Frank P. Lockhart, retiring U. S. Consul-General.

Mr. Gauss arrived in Shanghai September 19 after a stay in America of several months. Behind him, however, he left his wife and his son. To honor Mr. Gauss, Shanghai's American community held an informal reception at the Columbia Country



Frank Pruit Lockhart

C. E. Gauss

Club on September 23, In the receiving line were Bishop and Mrs. Roberts, Mr. and Mrs. Lockhart, Mr. Gauss and a group of local Americans, including officers from the U.S. Marine Corps and U.S. Navy.

Mr. Gauss first entered the State Department in 1906, and became deputy consul-general at Shanghai, June 7, 1907. Six years later he returned to his former Shanghai post, and in 1915 became vice-consul here, later being raised to full consul. He was detailed to Tientsin on July 22, 1916, and in September he was assigned to Amoy. The year 1919 found him in Tsinan, and in 1923 he became consul-general at Mukden. In 1924, he was back in Tientsin, and in 1926 he returned for a temporary stay at the consulate here. He was back in Tientsin again in May, 1927, and in June, 1933, he became counsel of the American Legation, at Peiping. In February, 1935, he went to Paris as consul-general and counsellor of the American Embassy. On December 5, 1935, he returned to Shanghai as consul-general.

Winning respect for Mr. Causs in his diplomatic duties in Shanghai, particularly during the Shanghai hostilites of 1937, was his firm attitude adopted apropos American interests.

Mr. Lockhart who has served as consul-general during the absence of Mr. Gauss, will, in company with his wife, return shortly to Peiping to resume his post as counsellor of the American Embassy.

Mr. Lockhart started his career as a newspaper editor in his native state of Texas. He was born in Pittsburg, Texas and was graduated from Grayson College. After two years in journalism, he went to Washington as secretary as a member of the House of Representatives and later in a similar capacity to a member of the Senate. He also served as clerk to important committees in both houses of America's chief law-making body.

In 1914 Mr. Lockhart joined the State Department as assistant chief of the Division of Far Eastern Affairs and has been connected with that department continuously since. He was attached to the American delegation at the Washington Arms Conference as an expert and later became chief of the Far Eastern Division. In 1925 Mr. Lockhart received his first consular appointment at Honkow, serving simultaneously as a member of the secretariat of the American delegation to the conference on the Chinese tariff. In 1931 he went to Tientsin as Consul-General and in 1935 he was transferred to Peiping as Counsellor of Embassy, one of his duties being a daily conference with representatives of the press.

Heated Court Battle Features Suit Against Spaniards

At *China Weekly Review* press time, a decision on the case had not been reached. It was suggested that the judgment might be one concerning the jurisdiction or a decision for the case itself, thus implying a ruling that the Spaniards in China have been deprived, at least temporarily, of their extra-territorial rights and are, therefore, subject to the jurisdiction of Chinese law courts.

THE Augustinian Procuration is in China "not to preach the gospel but to teach people is repudiate debts," Attorney L. C. Yang declared in the First Special District Court last week in answer to Dr. O. Fischer's allegation that the China Realty Company's suit against the procuration for $700,000 together with interests, $20,000 lawyers' fees and costs was "a bluff, hot air and nothing else!" Heated exchange of words featured the resumed hearing of the protracted suit during which Dr. George Sellett, also appearing for the China Realty Company, Fed. Inc., U.S.A., took strong exception to a statement made by Dr. Fischer, defending, that the American firm had rented the property on which the litigation now centers to the Japanese military "for use against the people of China," the *Shanghai Evening Post & Mercury* reported this week.

Presuming that Dr. Fischer was instructed by his clients to make the allegation, Dr. Sellett said, any one who makes that statement in view of the circumstances in China and especially in Shanghai is of "depraved, diseased and criminal mind" and "wholly lacking in any sense of moral values!" He explained that the Pootung property or part thereof was taken over by the Japanese military under protest. The Pootung property in question is located at Tungkow along the Bund and is known as the Hwa Shing Wharf. The plaintiff alleges that the land was mortgaged by the Ausgutinian Procuration for a sum of $700,000. The defendants, however, denied accepting the loans, contending that they have never owned the property and could not possibly have mortgage it.

Jurisdiction An Issue

The first stage of the hearing this morning was devoted to pleadings by Dr. Fischer that the First Special District Court has no jurisdiction over the case because Father P. Cerezal and his colleagues, delegated as "financial agents to deal with the commercial" section of the mission in Shanghai, are now Italian citizens. At this point, Dr. Fischer produced three Italian passports, one issued to Father Cerezal, all duly visaed by the Chinese authorities in 1937.

Dr. Fischer then dealt technically with the question of jurisdiction, contending that the Augustinian Procuration is not a juristic person but just the name of the office of the mission's delegates, who are Italian citizens. He also cited a case in which the criminal section of the First Special District Court dismissed a case against Father Cerezal filed by one Sanchos for a "personal grudge," refusing jurisdiction over the Catholic priest. He also pointed out that within the area under control of the Spanish government recognized by China, there is no Augustinian Mission offices, they having all moved to Rome. He blamed the plaintiff for "taking advantage of the abnormal conditions." The claim of the payment of $700,000 to the Augustinian Procuration, he said, is a "lie." He expressed surprise that the China Realty Company, having a contended claim of $700,000, should sit tight for three years before filing the suit. He made a formal application for an interlocutory decision on the question of jurisdiction, which was overruled by the court after an objection by Attorney Yang that such an application would amount to the defendant's submission to Chinese jurisdiction.

Ordered to proceed with the case itself, Dr. Fischer repudiated all allegations made by the plaintiff, using four "never's" in one sentence to emphasize the denials. He contended that Father Cerezal was "fooled into signing the document," referring to a contract concerning the mortgage of the property, and paid interest "without knowing his legal position." He asked the court to order the China Realty Company to deposit the accounts and the title-deeds of the property concerned with the court for a thorough examination if the payment was made and if the title-deeds were issued in the name of the Augustinian Procuration.

It was during this pleading that Dr. Fischer declared that the China Realty Company had rented the property to the Japanese military for use against China. Dr. Sellett, who had been holding a watching brief throughout the proceedings thus far, stood up and voiced his strong objection to the statement.

Not Responsible

Attorney Hsu Shih-hao, appearing for Mr. Chu Chun-tao, the second defendant and described as the legal representative of the China Motion Picture Finance Corporation, then explained to the court about his client's deals in taking over the property for a motion picture studio and the complications over the payments. He added that Mr. Chu has resigned from the firm and should not be held responsible. Presenting further evidence, Attorney Yang, appearing for the American realty firm, submitted a number of exhibits showing that the land was purchased from the Wha Shing Wharf Company at Tls.650,000 and sold on the same day for Tls.660,000 to Mr. Grant Mark who, it is alleged, was realty agent for the Augustinian Procuration. It was subsequently contended that Mr. Mark sold the property to the mission, which made a payment of Tls.94,000 directly to the China Realty Company "as balance in purchase of" the property. Attorney Yang was attempting to prove that the property in question was actually owned by the mission and mortgaged to the China Realty Company for $700,000, which the latter is trying to recover together with interests, lawyers' fees and costs.

Japan's Future Military Expenditures Heavy

Japan's extraordinary military expenditure for the next fiscal year may exceed Yen 3,250,000,000, which is the amount of the extraordinary military budget for the current year, the daily *Miyako Shimbun* predicted this week.

Increased military expenditure is likely, the journal said, in view of the probable necessity of maintaining large armed forces in the Japanese occupied areas in China to preserve order. Tentative estimates for next year's ordinary military budget already have been submitted to the Finance Ministry for examination, the paper said. The War Office plans to use part of the extraordinary military funds for replenishment of the air force in view of the hostilities and the delicate international situation.

Money Regulations Tightened

Officials of the Ministry of Finance took steps on Spet. 17 to tighten foreign exchange control regulations as a sequel to the arrest in Kobe of 27 members of an alleged international money smuggling ring. Measures will be taken to stop all possible loopholes for violation of exchange regulations, *Domei* was informed.

The alleged smuggling ring was believed to have reaped a profit of about one million yen in two months by taking American dollars from Japan to Shanghai, where they were exchanged for Japanese yen. Members of the band also were alleged to have smuggled gold watches and platinum into Japan from Europe and America. The 27 under arrest comprise 18 Russian, Jews, an American, an Englishman, an English woman, four Chinese and two Japanese.

Reservists Offer To Buy Bonds

Japanese reservists residing in the United States have offered to purchase Yen 1,000,000 worth of patriotic bonds, the Tokyo Ministry of Finance has disclosed. These Japanese, many of whom have long resided in the United States, have been exempted from military service. They cannot become American citizens because of Constitutional provisions. More than 6,000 reservists in this category banded themselves into an organization in August to promote various activities designed to assist the Japanese cause. Each member agreed to buy at least one Yen 1 bond, the Ministry of Finance was advised.

Japanese Firms Boost War Risk Rates

Japanese underwriters on Sept. 17 raised their war risk insurance rates on cargo transported between Japan and European and Mediterranean ports. Rates on shipments by British, German, French and Italian vessels from Japan to Mediterranean and European ports by way of Suez or the atlantic were set at two percent in addition to ordinary insurance costs. Shipments on vessels of other nationalities will be quoted rates of one percent.

Japan-bound cargo from Europe will be insured against war risk at a one percent rate when shipped by British, French, German, or Italian bottoms, but will be accepted at a 0.5 per cent rate if transported by vessels of other nationalities.

Savings Bonds to Be Sold Here

About Yen 15,000,000 worth of Japanese savings bonds were put on sale in Shanghai through the Shanghai Bank and Hankow Bank in Hongkew from Sept. 20 to 30 inclusive, according to the *Shanghai Nippo*. Though the face value of the bonds is Yen 7.50 they will be sold for Yen 5 and will be redeemed by February, 1955, beginning in January of next year. After that they will be redeemed twice a year, in January and July, by lot drawing, the journal said.

Yen Tumbles In New York

With the Anglo-American cross rate dropping to $4.19½, the lowest level since March, 1935, as a result of European unrest centering on the Sudeten question, the yen exhange rate in New York Sept. 19 fell to its lowest mark since 1935.

Favorable Trade Balance

Japan ended the second ten days of September with a favorable trade balance, exports exceeding imports by Yen 10,076,000, the Ministry of Finance announced. During the period, Japan bought goods to a value of Yen 65,660,000 and sold merchandise appraised at Yen 75,736,000.

This Week's Happy Thought

"In case of air raids in Japan only the ill, aged and infirm will be permitted to seek refuge and only because they would otherwise be in the way of the able-bodied who must stay right where they are to fight any fires that may arise."—*Japan Advertiser*.

Outstanding Events in the Sino-Japanese War

A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

Sept. 1.—Major victory claimed by Chinese forces west of Juichang (above Kiukiang) following vigorous general offensive launched yesterday (Aug. 31), according to official report received at Hankow. Japanese casualties estimated at 4,000; large quantity of booty, including rifles and machine guns, captured. Reports of Chinese victory, described as a "second Taierchwang" confirmed by the correspondent of **New York Times**, who is at present on Juichang front; defeated Japanese reported to be retreating toward Juichang, to which point Japanese reinforcements are being rushed. Chinese troops commanded by Gen. Kwan Ling-tseng, who participated in the Taierchwang Battle last April, took part in yesterday's offensive at Juichang.
Severe fighting also in progress northwest of Huangmei, in south-eastern Hupeh. The Japanese are bringing more troops from southern bank of Yangtsze river to reinforce the operations in Huangmei sector.
Japanese reports claim their forces are steadily closing in on Matouchen, on south bank, where the Chinese had erected new barricade across the River.
Chinese guerilla activities intensified in East Hopei; many sections of tracks of Peiping-Tientsin and Peiping-Mukden Railways destroyed, disrupting traffic on both lines.

Sept. 1.—Five White Russians in Hankow, detained by Chinese authorities on suspicion of being engaged in subversive activities against China, ordered to be deported and not to return to China within three years. They are:—
Evgrafovich Pissarev, dentist;
Stanislav Petrovich Manijak, dentist;
Egor Alexeevich Mishin, stable owner;
Alexander Anatolievich Peter, merchant; and
George Nikitich Popoff, musician.

Sept. 1.—Hongkong-Hankow air mail and passenger service of Eurasia Corporation resumed. First airplane from Hongkong since Aug. 28 arrived at Hankow; plane piloted by a Chinese, instead of a German.

Sept. 1.—Both Chinese and foreign circles in Tientsin mystified by sudden order issued yesterday by Japanese military authorities that all Japanese residents in British and French Concessions in Tientsin withdraw to other areas within a fortnight; Japanese army trucks to assist in evacuation. "Lack of co-operation" on the part of British and French authorities in suppressing "anti-Japanese elements" given as reason for the move.

Sept. 1.—Canton-Hankow Railway resumes traffic after 22 days of disruption. Damages to tracks and bridges caused by Japanese airbombing on Aug. 7 said completely repaired.

Sept. 1.—Stalin of Russia expressed confidence that China is emerging victorious from the present Sino-Japanese hostilities....
Dr. Benes of Czechoslovakia declared that China cannot be conquered by Japan....
France and Britain, although unable to give active or direct assistance to China in view of the present European situation, are closely watching Far Eastern developments....
Germany and Italy are definitely pro-Japanese....
These are the main points in a report on his European trip just completed by Dr. Sun Fo, President of the Legislative Yuan.

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Sept. 2.—Lull prevails in Juichang sector following major Chinese victory. Both the Chinese and the Japanese are seizing the opportunity to bring up further reinforcements for renewed struggle. Heavy fighting continues south of Kiukiang, where the Japanese are attempting to drive toward Tehan, strategic town on Kiukiang-Nanchang Railway.

Sept. 2.—Chen Yun, head of the puppet Nantao Administration (Chinese City in Shanghai), who was seriously wounded on Aug. 30 by gunmen in attempted assassination, died.

Sept. 2.—Various rumors current in Tientsin in connection with the order by Japanese military authorities for evacuation of their nationals from British and French Concessions. One rumor associated the move with the crisis in Europe, while another interpretation was that the action was designed to bring economic pressure to bear on the two concessions.

Sept. 2.—Y. M. Chien, prominent Shanghai Banker, appointed Chairman of Board of Directors of Bank of Communications, as successor to Hu Pi-kiang, who was killed during recent Japanese attack on the C.N.A.C. plane, "Kweilin."

Sept. 2.—Sharp engagement occurred between large body of Chinese guerillas and Japanese troops west of Lanfeng on Peiping-Tientsin Railway. Clash lasted several hours.
Employees of Peiping's "Ministry of Industries" ordered to study Japanese language for one hour every day.

Sept. 2.—Tokyo Navy Office communique states that a Japanese flying boat crashed behind Chinese lines at a point, 40 kilometers southwest of Anking, on July 31, while fired on by Chinese troops. Four high naval officers, including Rear-Admiral Nitaro Katoh, Lt-Commanders Y. Morooka and M. Kondoh and Capt. M. Koide, were killed. Their bodies said recovered on Aug. 28.

Sept. 2.—Recommendations that the United States Government take definite steps to bring about the restoration of the prestige of the Nine-Power Treaty in this part of the world formed a part of a cable massage forwarded from Shanghai to Secretary of State Cordell Hull at Washington. The message was signed jointly by the American Chamber of Commerce and the American Community organization of Shanghai. Among other things, the message urgently recommended that steps be taken to bring about "a discontinuance of censorship and interference with mails, telegrams, cables and other means of communication." The message also urged that full rights and privileges of "trade, travel and residence in the Yangtse Valley, North China and other areas, including the use of railways, shipping, commercial airways and motor highways be restored with access to markets or mission centers on a basis of equality of opportunity."

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Sept. 3.—Japanese troops advancing along Kiukiang-Nanchang Railway, but still some 20 miles away from Tehan, gateway to Nanchang. Chinese positions north of Tehan reported intact, despite Japanese attacks.
In Northwest Anhwei, the Japanese are advancing westward in two columns, one based on Luan heading for Honan-Anhwei border, and the other based on Hwoshan driving towards Hupeh border.

Sept. 3.—San Lien-hsiang, member of pro-Japanese terrorist organization, "Huang-Tao-Hui" (Yellow Way Society), sentenced to death by First Special District Court following conviction on murder charge.

Sept. 3.—Captain Wu Lo-liu, famed Kwangsi aviator, wounded and subsequently died as result of aerial battle with Japanese planes on Aug. 30, when the latter raided Namyung, on Kwangtung-Kiangsi border. Capt. Wu distinguished himself last spring in repulsing a squadron of Japanese planes which sought to surround and attack the plane in which Gen. Chiang Kai-shek was travelling from Chengchow to Hsuchow.
University of Kwangsi bombed by Japanese planes; seven direct hits scored, wrecking the main buildings. Number of casualties unknown.

Sept. 3.—National Government issued (Sept. 2) mandates, eulogizing three victims of Japanese air attack on the C.N.A.C. plane "Kweilin," namely, Hsu Sing-loh, Hu Pi-kiang and Wang Yu-mei (high official of Central Bank).

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Sept. 4.—Bitter fighting raging on both banks of Yangtsze, with the Chinese and the Japanese battling desperately for possession of Mahweiling, which commands gateway to Nanchang, and of Kwangtsi, which commands the highway running along north bank to Hankow.
Japanese claim Mahweiling captured, but claim denied in Chinese circles.
More Japanese reinforcements landed on northern bank of Yangtsze. Possible suspension of electric power supply in Wuchang seen, as Power Company announces shortage of coal may interupt service.

Sept. 4.—Wreckage of the plane "Kweilin," shot down by the Japanese on Aug. 24, brought to Hongkong from Macao. Eighty machine-gun bullet holes found on machine.

Sept. 4.—Chinese officials of Peiping "Provisional" Government residing in British and French Concessions in Tientsin, also ordered (Sept. 3) to be ready to move out at a few hours' notice. Suggested that in event of war in Europe, Japan would participate on the side of Germany and Italy and occupy Anglo-French concessions and properties in China.

Sept. 4.—Kuningoro Iizuka, Commander of Iizuka detachment, killed in battle in Singtse sector yesterday (Sept. 3), reported **Domei.**

Sept. 5.—Fierce battle still raging at Mahweiling, strategic town on Kiukiang-Nanchang Railway. Main Chinese force said to have withdrawn from the town on night of Sept. 3, but one brigade still remained to defend it. Fate of Mahweiling expected to be decided within 24 hours, as desperate battle for its possession is proceeding. Chinese circles admit that considerable confusion followed Japanese penetration on Sept. 3 of a weak sector defended by Szechuan troops. This enabled the Japanese to occupy Mahweiling Railway Station on morning of Sept. 3, threatening the Chinese rear. Fighting at Huangmei resumed as Japanese launch furious attacks on Chinese positions to the east of Kwangtsi. Japanese bomber shot down at Pakong, on Canton-Hankow Railway; pilot captured alive, three other members of the crew killed.

Sept. 5.—Gen. Yang Chieh, new Chinese Ambassador to Moscow, presented credentials to Chairman Kalinin of the Soviet Government.

Sept. 5.—In order to defend Hankow, the Chinese must take the offensive, according to Gen. Chiang Po-li, well-known Chinese strategist, who recently returned from a European tour as Gen. Chiang Kai-shek's representative. Hankow, Gen. Chiang Po-li said, is difficult to defend, "since we have no navy and only small air force."

Sept. 5.—Foreign business men in Tientsin assign one of the following reasons as probable cause of Japanese order for evacuation of Japanese nationals from British and French Concessions.
"Japanese may be evacuating owing to the situation in Europe, which if it developed, might demand their association with Germany in the Far East;
"Evacuation of foreign concessions may have been ordered by the Japanese authorities in order to obtain control of currency;
"The order may have been given through fear of further Chinese activities (in the Tientsin area?);
"Finally, the order might have been given by an army officer emerging from a three days' 'drift' among the local bars and geisha-houses."

Sept. 5.—Gen. Wu Te-chen, Chairman of Kwangtung, returned to Canton from Hongkong, where he repaid the recent visit of Sir Geoffry Northcote, Governor of Hongkong, to Canton.

Sept. 5.—Commenting on Japanese air attack on the plane "Kweilin" of China National Aviation Corporation (Sino-American concern), and explosion of mines near the U.S.S. gunboat Monocacy above Kiukiang, Foreign Minister Wang Chung-hui said that Japan was purposely endangering American lives and instituting business monopolies in order to drive Americans out of China.

Sept. 5.—Special Eurasia plane, flying from Hongkong to Yunnan, attacked and machine-gunned by Japanese aircraft and forced down at Liuchow, on Kwangsi-Kwangtung border. Attackers out-distanced and the plane made safe landing. Passengers unhurt, included among whom was D. D. Li, general manager of Eurasia Corporation, and the German technical manager, Herr Holtz.

Sept. 5.—Final evacuation of Mahweiling, strategic town on Kiukiang-Nanching Railway, by the Chinese announced by military authorities at Hankow. Failure to hold Mahweiling was due to collapse of Chinese left wing, which proved to be fatal for the defence. Chinese forces, which evacuated the town, are forming new line to south of Mahweiling. Position of Chinese troops at Kushih, important city in east Honan, said also critical.
Japanese claim occupation of Kwangtsi, strategic city in western Hupeh. Fall of city said threatening Chinese rear of Wusueh, fortified port on northern bank of Yangtsze.

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Sept. 6.—Eurasia Aviation Corporation again suspended all its services as result of attack made by Japanese aircraft yesterday (Sept. 5) on one of its planes flying from Hongkong to Yunnan.
Chinese spokesman at Chungking says Japanese attack on plane deliberate. Tokyo Foreign Office says it regards Eurasia Corporation as Chinese concern. Also states that Japanese Navy has refused request of German Embassy to afford protection to Eurasia Corporation planes.

Sept. 6.—Dr. Hu Shih, well-known Chinese scholar and philosopher, reported to be slated for post of Ambassador to the United States, in succession to Dr. C. T. Wang.

Sept. 6.—Four youthful Germans arrested (Sept. 5) on Chinese border near Hongkong by Chinese authorities on charge of photographing strategic points in violation of regulation.

Sept. 6.—British Embassy in Peiping protests to Japanese Embassy against banning from mails of the British-owned, **Peking and Tientsin Times**, published in Tientsin.

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Sept. 7.—Hankow circles greatly surprised by Chinese abandonment of Mahweiling, north of Tehan, which has hitherto been considered as the strongest Chinese line on south bank of Yangtsze. Provincial troops blamed for giving up this strategic point.
Chinese mobile units entered (Sept. 6) Singtse, important town on west shore of Poyang Lake, and engaged the Japanese garrison in street fighting.
Chinese shore batteries on south bank above Kiukiang fought heavy artillery duel with Japanese warships which shelled Matoucheng.
Kushih, strategic point in east Honan, claimed captured by the Japanese.

Sept. 7.—Another Eurasia Corporation plane shot down by Japanese aircraft southwest of Hankow yesterday afternoon (Sept. 6) Although the plane was machine-gunned four times and struck several times, all five occupants in the machine escaped injury. The plane was bound for Sian, Shensi capital, with passengers and mails. After being attacked, the machine made a forced landing but was not much damaged.

Sept. 7.—Chinese Foreign Office has instructed the Chinese Delegation to invoke Article 17 of the Largue Covenant at the forthcoming meetings of the League of Nations Assembly and Council.

Sept. 7.—T. K. Tseng appointed (Sept. 6) Administrative Vice-Minister of Foreign Affairs, succeeding Chen Chieh, who has been appointed Ambassador to Germany.

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Sept. 8.—Severe fighting raging to the east of Mahweiling, where the Japanese forces are attacking Chinese positions in Tungkuling mountains.
Japanese warships shelling Chinese fortifications at Wusueh on north bank of Yangtsze; two of the warships reported to have been hit and sunk by Chinese shore batteries.
Chinese forces evacuated (Sept. 7) Kwangtsi, on north bank of Yangtsze, and are forming new line in vicinity of Chaling. Kwangtsi practically levelled to the ground by continuous Japanese airbombing.
Chinese reports state situation at Kushih, important city in East Honan, obscure; the Japanese claim to have captured city.

Sept. 8.—Japanese casualties for the period of Aug. 19 to Sept. 6 put at 2,300, according to announcement by Japanese Headquarters of forces operating in South Bank of Yangtsze. Eight Japanese planes bomb hills southeast of Wuchang; damage unknown.

Sept. 8.—Huge air field said being constructed in Yunnan province under the direction of American engineers, according to Japanese report.

Sept. 8.—Fresh Japanese troops from Japan landed at Tangku, Tientsin, for anti-guerilla activities; reinforcements believed totalling full division; more units said due. Chinese guerilla activities in East Hopei intensified daily; railways between Chingwangtao and Shanhaikwan frequently attacked, causing disruption of traffic service. Large bodies of Japanese trained Chinese troops in various occupied parts in Hopei desert to guerillas.

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Sept. 9.—Kwangtsi, important city on north bank of Yangtsze, which commands a highway leading to Hankow, claimed recaptured by Chinese forces in vigorous counter-attack. Retreating Japanese said left behind "over 1,000 dead and 40 field pieces."
Reoccupation of Fenglingtu, strategic Yellow River crossing opposite Tungkwan (on Shensi-Honan border), by the Chinese also reported; city fell on Sept. 7.

Sept. 9.—Two majors commanding Japanese units which attacked Fukinshan on west shore of Shih River in Honan were killed in action on Sept. 7. They were Major Kan Mitani and Major Hideji Kawamura, according to Japanese report.
Canton-Hankow Railway bombed by Japanese planes; five bombs dropped in outskirts of Canton City.

Sept. 9.—More Japanese troops, including one artillery and two infantry detachments, landed at Tangku, Tientsin, in view of growing seriousness of Chinese guerilla activities in east Hopei area.

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Sept. 10.—Fierce battle which raged since yesterday in the hills to the northwest of Juichang, is still proceeding, as the Japanese are concentrating attack on Chinese positions guarding the highway to Matoucheng. Matoucheng is strategic point on south bank of Yangtsze, opposite Wushueh. Japanese warships which steamed up river to shell Chinese fortifications located about one and a half miles below Wusueh, have been fored to retire down river by Chinese shore batteries.
Kwangtsi, on north bank of Yangtsze, reoccupied by the Japanese.

Sept. 10.—Gen. Lo Cho-ying, Commander of Chinese group army, appointed concurrently Garrison Commander of Wuhan Area.

Sept. 10.—Four Hongkong Germans arrested by Chinese authorities for photographing Chinese strategic

(*Continued on page 129*)

Who's Who in China

蕭友梅
Hsiao Yu-mei

Hsiao Yu-mei, music educator; born at Chungshan, Kwangtung, 1884; graduate of Tokyo Imperial University with B.A. degree, 1909; studied music at the National Conservatory of Music, Leipzig, Germany; Ph. D. Leipzig University, 1916; Secretary in the office of the Provisional President of the Republic at Nanking, 1912; Compiler, Ministry of Education, Peking Government, 1920; Dean, Department of Music, National Women's Normal College and National Women's University, Peking, 1921-27; Dean, Department of Music, Peking National College of Fine Arts, 1926-27; Lecturer, Peking National University, 1921-27; Dean and Acting President, National Shanghai Conservatory of Music, 1927-29; President, National Shanghai Conservantory of Music, since 1929; member, Music Education Committee, Ministry of Education, Nanking; author of numerous musical pieces and several books on music; address: c/o. Ministry of Education, Chungking.

Japanese Plane Transports U. S. Sailors

For more than one hour of their flight from Kiukiang to Shanghai aboard a Japanese plane Sept. 15, 12 American sailors from the U.S.S. Monocacy were unable to look out the windows and observe what was transpiring beneath them. The blinds of the plane were drawn just a few minutes after the big craft left Kiukiang. They were not lifted until some time after the ship had flown over Nanking.

Passengers of the ship attribute the drawing of the blinds to a detire on the part of the Japanese to keep the movements of troops and navel vessels hidden from the eyes of the sailors. The Japanese plane, originally expected to take off yesterday morning, with 17 American naval officers and sailors aboard, all assigned to duty aboard the Monocacy, did not leave. The first thing that most of them did once they reached shore was to order big steaks. Due to a shortage of supplies up-stream, fresh meat has been rather difficult to obtain and it was necessary to substitute rice for potatoes. Supplies, the sailors stated, are now being obtained by the Monocacy in sufficient quantities to enable the cooks to produce regular navy menus. During the long weeks the Monocacy spent off Kiukiang, the members of the crew were given shore liberty to visit the Standard-Vacuum Oil Company's compound for daily recreation. The biggest complaint that the men had to make was the fact Kiukiang offered no ice for a sailor's beer.

New German-Manchuko Trade Agreement Signed

The new trade agreement concluded between Germany and Manchukuo was signed Sept. 14, Tsai Yun-sheng, chief of the Foreign Affairs Bureau, and Dr. Karl Knoll, German Charge d'Affaires, acting on behalf of their respective governments. Following the formal signature a joint communique was issued, announcing that the new agreement replaces the old trade agreement of 1936 and will remain in force till May 31, 1940.

The new agreement stipulates that Manchukuo will import German goods up to the amount of Yen 25,000,000 a year while Germany will buy Manchukuo products up to Yen 100,000,000, with a view eventually to balancing the trade between the two nations. Settlement of accounts between Manchukuo and Germany will be done in accordance with the new banking agreement between the Yokohama Specie Bank and the Reich bank.

Japanese Sham Air Raid Takes Heavy Toll

Injured in a tramcar collision at Tobe, between Tokyo and Yokohama on Sept. 16, 119 persons were taken to the hospital. The collison occurred when eight "hostile" raiders appeared over the Tokyo-Yokohama district during air raid maneuvers now under way here. The bombers were picked out by a dozen searchlights and subjected to intensive anti-aircraft fire before they could release rubber balls, which replaced bombs. Defense officers said the raiders had been "repulsed."

Two members of the volunteer air defense corps in Tokyo also lost their lives during the "raid." One died of cerebral hemorrhage, the other of heart failure as a result of the excitement.

Men and Events

John Morris, manager of *United Press* in the Far East, has gone to Japan on business.

R. T. Evans, American attorney of Tientsin, has returned to Tientsin from a business trip to Shanghai.

Mrs. Randall Gould, wife of the editor of the Shanghai *Evening Post*, and their daughter, Cynthia and son Roderick, have returned to Shanghai from an extended visit in the United States.

Aitchen K. Wu, formerly connected with the Chinese Consulate-General at Vladivostok, has joined the faculty of South-Western University at Kunming, Yunnan.

George C. Bruce, publisher of the Shanghai *Evening Post*, has gone to the United States on business, his first trip to the homeland in 20 years.

Kozo Sugimura, former assistant professor of the Tokyo Commercial University, has been appointed managing director of the Japanese Chamber of Commerce and Industry at Shanghai.

Dr. J. Lossing Buck, formerly head of the College of Agriculture of Nanking University, but now connected with the U. S. Treasury Department, has returned to Hongkong from a trip to the United States.

Victor Clark of Washington, D. C., formerly an adviser to the Philippine Commonwealth, passed through Shanghai this week on his return to the United States from a trip of several months through Europe and the Far East.

Sannojo Nakamura, Japanese Parliamentary Councillor for Financial Affairs, has announced his intention of making a tour of Central and North China and Manchuria for the purpose of making a survey of economic and trade conditions.

Owing to increased travel between Japan and North China, by way of Korea, the Japanese authorities have decided to speed up train schedules between Fusan and Peiping. It is hoped (guerillas willing) to cover the trip in 39 hours.

The Chinese Chemical Society met, in its 6th annual convention, at Chungking on Sept. 16. Subjects to be discussed included industrial development behind the lines and the utilization of the natural resources of Szechuen province.

John Hausserman, president of Benguet Consolidated, richest gold mine in the Philipplines, passed through Shanghai on Sunday of this week, on a trip to the United States. He will visit his home in New Richmand, Ohio, while in America.

The *Wen Hui Pao*, local Chinese newspaper, raised the sum of $20,000 for China's war chest on Sept. 15. The money was raised in the form of contributions of objects of gold as part of the "Offer of gold To the State" movement.

The Japanese, Germans and Italians will stage a 100-percent "anti-Komintern" track meet by telegraph this week. More than 600 youths will participate and the results will be telegraphed simultaneously to the capitals of the other two countries.

Mr. and Mrs. John Edward Exter are now residing at 15 Hastings Lane, West Medford, Massachusetts. Mrs. Exter was formerly Miss Marion Kathleen Fitch, daughter of Mr. and Mrs. George Fitch of Shanghai. She was married to Mr. Exter last December.

W. Gockson, managing director of the Wing On Department Store, has been appointed a member of the Municipal Council of the International Settlement in place of Singloh Hsu, who was killed in the C. N. A. C. plane which was shot down by the Japanese at Canton.

Fr. Petrellus Klug, S. V. D., of the German Catholic Mission at Yenchowfu, Shantung, is in Shanghai on his way to Timor. Fr. Klug assisted in the care of several thousand Chinese refugees in his district who were driven from their homes by hostilities in Shantung.

According to the monthly returns issued by the Chinese Maritime Customs covering the foreign trade of Shanghai, net Imports during August 1938, totalled $20,773,379. Net Exports totalled $21,140,923. January-August figures were $149,165,565 and $114,070,956 respectively.

The Director of Posts at Hankow has announced early resumption of air-mail service between Hongkong and Hankow, according to *Reuter* report stating that both Eurasia and C. N. A. C. planes would be used. In order to avoid Japanese interference the flights will be made at night.

From the *Nichi-Nichi*, Tokyo, Sept. 10—"The Tayeh iron mine, which will be taken over by the Japanese forces, following the occupation of Hankow, will be handed over to the Japan Iron Manufacturing Company for development. The annual production of the mine is 1,000,000-tons."

Capt. H. G. Reed, recently appointed chief of Shanghai Fire Department in succession to Capt. J. Gordon Dyson, has assumed office. Capt. Reed has served as deputy chief officer for 12 years. He came to Shanghai at the end of 1926. He served in the British Army throughout the World War. He is a fellow of the Royal Geographical Society.

Members of the Shanghai Jewish community, on Sept. 15 presented a silver salver to Horace Kadoorie as a mark of appreciation of his devotion to the welfare of Jewish children in the community. Mr. Kadoorie is president of the Shanghai Jewish Youth Association. The presentation was made at the home of Mr. and Mrs. D. E. J. Abraham.

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Chinkiang	*Yenping*	Tsingtao	Chengchow	*Wanhsien*
Yangchow	*Kien-ou*	Tsinan	Kaifeng	*Santai*
Hsiakwan	*Pucheng*	Pengpu	*Loyang*	HANKOW
HANGCHOW	*Santu*	Wuhu	Sian	*Wuchang*
Ningpo	CANTON	Anking	*Nancheng*	Changsha

FOREIGN CORRESPONDENTS:

NEW YORK, LONDON, BERLIN, PARIS, GENEVA, OSAKA, AND HONGKONG

According to *Kuomtin* several hundred Japanese marines were landed on Pootoo Island on Thursday, Sept. 15, the landing being preceded by a naval barrage. A later report in the *Morning Leader* claimed that the Chinese forces had routed the Japanese, killing 200 of them. Pootoo is famous as the headquarters of the Buddhist sect in Central China. It also is well known as a summer resort.

When the conductor of Shanghai No. 9 bus failed to open the door for him, a Japanese prospective passenger drew his revolver and fired at the bus. His shot went wild and when the bus speeded up the man disappeared. The incident occurred at Tifeng and Yu Yuen Roads and was witnessed by many persons.

According to *Domei* rapid progress is being made in the construction of the new railway connecting Hengyang in central Hunan with Kweilin in Kwangsi province. The road will later be extended to Nanning, capital of Kwangsi and to Lungchow on the upper Yu river where it will connect with the French railway running to Hanoi.

Major K. M. Bourne, Commissioner of Police in the International Settlement, has returned from vacation which he spent in the former British port of Weihaiwei. While he was absent, Deputy Commissioner S. C. Young was in charge. Mr. Young is shortly retiring after 34 years of service. He joined the force here in 1904 as a constable, second class.

Announcements have been received in Shanghai of the marriage of Martin Scholl Hayden of Detroit to Miss Elizabeth Dodds at Detroit on July 26. Mr. Hayden is a member of the staff of *Detroit News*. He traveled extensively in China and wrote a series of articles on conditions in China and the Far East three years ago.

D. Tagawa, well known Japanese educator, writer and former president of the Presbyterian College in Tokyo, is visiting in Shanghai with the object of discovering a "Christian way" of stopping the war. He stated, in the course of an interview in *The China Press* that he had notyet met any Chinese Christiar leaders. He is staying at the Palace Hotel.

Bishop Logan H. Roots and his daughter Frances, formerly of Hankow, who returned to the United States recently, are now traveling in Europe in connection with the peace drive of the Oxford Group. According to letters received in Shanghai last week they attended the International Assembly on Peace at Interlaken, Switzerland and also visited in England.

Owing to the demand for whale oil for lubricating high-power guns and other mechanical war equipment, the Japanese have announced their intention of dispatching six Japanese whaling ships to the Antarctic seas this season. Latest addition to Japan's whaling fleet is the Kyokuyo Maru, 22,000-ton depot ship, recently completed at the Kawasaki Dockyards in Kobe.

Another gunboat, the Buonburi, 2,265-tons, built for the Siamese Government by the Kawasaki Dockyards at Kobe, sailed for Bangkok from Yokohama on Sept. 18. Under the construction contract, the Japanese are permitted to maintain two naval officers as advisers on each ship for several months, and at stated periods the ships must return to Japan for inspection purposes.

Julean Arnold, U. S. Commercial Attache, now on extended leave in the United States, will probably return to Shanghai before the end of the year, according to report in Shanghai this week. H. Lawrence Groves, an official of the Department of Commerce in Washington, who was scheduled to come to Shanghai in the absence of Mr. Arnold, has changed his plans and will not visit the Far East.

The Japanese freighter Matsura Maru was wrecked and 21 members of the crew drowned at Amherst Rocks, according to report published in the *North-China Daily News* last Sunday, stating that the ship sank shortly after striking the rocks. The ship's second officer was picked up and brought to Shanghai while 9 other members of the crew were picked up and taken to Hongkong.

Another attempt is shortly to be made to discover oil in the Philippines, according to *United Press* report from Washington, Sept. 14, stating that U. S. $1,000,000 is to be expended in the experimental drilling. The name of the company which will undertake the exploration and the area to be investigated was not given. The report stated that annual gold production in the Philippines had now reached U. S. $25,000.000.

Miss J. W. Martin, Matron of the Shanghai Municipal Police Hospital, was awarded the decoration of the Order of St. John of Jerusalem, in the grade of serving sister. The honor was conferred on Miss Martin in recognition of her services as acting matron during the course of the hostilities in Shanghai from August to September, last year. The presentation was made by Sir Herbert Phillips, British Consul-General, on behalf of Sir Archibald Clark Kerr, British Ambassador.

Harry Bridges, Australian-born radical labor leader on the U. S. West Coast, was found guilty of contempt of court and fined U. S. $125 by Superior Judge Edward T. Bishop at Los Angeles on Sept. 14. The charge was that he had released to a newspaper a copy of a telegram he had sent to Secretary of Labor, Miss Frances L. Perkins, in which he criticized a Los Angeles Court for appointing an American Federation of Labor attorney as receiver for the Longshoremen's Hall at San Pedro. Bridges is the leader for the Committee for Industrial Organization on the West Coast.

Hallet Abend, director of the *New York Times* Bureau in Shanghai, has gone to Japan on business.

Max Friedman, manager of China Motors, has returned to Shanghai from a business trip to Hongkong.

Cheng Chih-yi has been appointed director of the Chinese Government Trade Mark Bureau of the Ministry of Economics at Chungking.

Sukehide Kabayama, member of the Tokyo House of Peers, is in Shanghai inspecting conditions. He will later proceed to North China.

General Clinton Levering Riggs, former High Commissioner to the Philippines, died in Baltimore on Sept. 12 of heart trouble at the age of 72 years.

K. Itoh, assistant manager in Shanghai for Mitsui Bussan Kaisha and since 1916 director of the firm's insurance department, departed from Shanghai on Sept. 21 for Tokyo, where he plans to reside in future.

Six American warships arrived in Shanghai this week from Chefoo and Tsingtao, the U. S. S. Blackhawk, Peary, Pillsbury, Asheville, Marblehead and Sacramento. The length of the stay here is not known.

Senor Santiago Mendez De Vigo arrived in Tokyo on Sept. 15 as the first envoy from Gen. Franco's Spain. Senor Vigo previously represented Spain in Japan, but returned to Franco's section of Spain several months ago.

Chuji Kiuchi, director of the Kokura Broadcasting station in Japan, has been appointed director of the Nanking Broadcasting Station which was completed on Sept. 10. The new station will broadcast reports of Yangtsze victories to Japan.

Twenty Chinese students who passed examinations held by the trustees of the British Boxer Indemnity, sailed from Hongkong for London on Sept. 17. This was the sixth group, making a total of 124 students with scholarships, which has been selected for special studies in Great Britain.

Six indigent Russians were convicted and sentenced to prison terms ranging from five to seven months, by the First Special District Court on Sept. 17, for stealing a number of Chinese coffins from the Chong Nyi Charity Society at 259 Tongshan Road. According to the evidence they stole 10 coffins valued at $500.

Members of the American Community have scheduled a reception at the Columbia Country Club for Friday afternoon, Sept. 19, in honor of Consul-General and Mrs. Frank P. Lockhart, who are departing for Washington, and for Consul-General C. E. Gauss, who has just returned to Shanghai from leave spent in the United States.

This from the Shanghai *Morning Leader* for Sept. 15: "The Ta-Tao government headquarters on Tungchang Road, Pootung, staged a spectacular bonfire of opium and allied drugs which allegedly had been seized by the police...but the large crowd of onlookers failed to detect the smell of burning opium...it is thought that none of the drugs burned was genuine."

The Shanghai American School opened for the fall term on Sept. 14 with 340 students registered, and with a faculty of 26 members. The new principal is Raymond E. Burns. Members of the faculty include Miss Eva Shields, Mrs. R. B. Trimmer, Mrs. M. F. McAllaster, Mrs. Frances Andrewx, Mrs. George Greene, Mrs. Richard Campbell, Mrs. J. C. Thomson, Mrs. E. H. Cressy, Miss M. L. Armstrong.

The annual convention of Trades and Labor bodies of Canada, met at Niagara Falls on Sept. 13 adopted a resolution calling upon all trade unionists of the Dominion to "take the lead in organizing the Canadian people in an intensified boycott of all goods from aggressor nations such as Japan, Italy and Germany." Another resolution demanding an embargo on shipments of munitions was also adopted.

Alexander Sharton, representative of the New York *Journal of Commerce*, who has been issuing interviews favorable to Japan since his arrival in that country several weeks ago, has now announced that his paper will issue a 100-page special edition on Manchukuo. He was scheduled to sail from Yokohama with his suitcase filled with S. M. R. and Manchukuo advertisements on Sept. 22.

Dr. Erwin Rousselle, President of the China Institute of University of Frankfort-on-Main, arrived in Shanghai last week and plans to remain here for six months for purpose of investigating conditions. He will also collect objects of art for the university museum. Prof. Rouselle will make his headquarters at the Society of Friends of the China Institute in Shanghai. He also plans to visit Hankow, Canton, Tientsin and Peiping while in China.

Madame Chiang Kai-shek, clad in blue shirt and blue overalls, headed a group of Chinese women, similarly attired, on a trip to Chinese hospitals in the Wu-Han area on Sept. 17. Presents were distributed to wounded soldiers. Another group of women in Hankow, headed by Miss Freda Utley, author of "Japan's Feet of Clay," and Miss Agnes Smedley, author of "China Fights Back," and including women of American, British, French, Swiss, Hungarian, Australian an Russian nationalities, have organized a chorus to sing popular songs to the wounded in the various Hankow hospitals.

Carl Johannes Eskelund, Danish correspondent for the *Politiken*, Copenhagen, Denmark, was arrested for taking pictures of Chinese defense works along the Bund in Hankow on Sept. 12. He was released later, after his films had been confiscated. Mr. Eskelund also served as correspondent in Central China for *The China Press*. He is now in Shanghai on a brief visit with his parents, Dr. and Mrs. N. Eskelund who reside at 305 Avenue Petain.

Ho Chin-yuan, principal of the Hopei Provincial Middle School at Tientsin, was shot and seriously wounded by gunman on the evening of Sept. 7 as he was proceeding in a rickshaw from his home to the school. The gunman fired from behind Mr. Ho's ricksha and while two bullets lodged in his back, he was rushed to the hospital where both were removed and he is expected to recover. Mr. Ho is a native of Tientsin and a graduate of Keio University, Tokyo. He has been connected with the Tientsin Middle School for 10 years. Dr. Chunta Chao, principal of the Yao Hua, or Chinese middle School in the British Concession at Tientsin, was shot and killed by gunmen in Tientsin last June. Two policemen in Tientsin were shot on Sept. 17 as they prevented two Chinese gunmen from entering the residence of Wang Chih-ching, president of the Japanese-controlled "Federal Reserve Bank of North China.

Junior Chamber Offers Classes in Chinese Language

The American Junior Chamber of Commerce this week announced the formation of its 1938-39 Chinese Language Classes which are scheduled to open October 3, at American Club Building, Foochow Road. This is the third year of the junior chamber's sponsorship of these classes, each one being highly successful. Registration blanks or further information may be obtained from the chamber offices at the American Club.

Soviets Return Body of Slain Gendarme

Soviet authorities on Sept. 19 handed over to Japanese military officers the body of Gendarmerie Corporal Matsushima, who was killed by Soviet border guards on July 15 at the outset of the Changkufeng incident. The handing over will take place at Changlingtu, near border sign Number Eight on the Soviet-Manchukuo border.

OUTSTANDING EVENTS IN THE SINO-JAPANESE WAR

(*Continued from page 125*)

points on Hongkong-Canton border on Sept. 5, released.

Sept. 10.—Three British subjects, employees of Shanghai Waterworks Company, assaulted by Japanese sentries in Yangtszepoo district in Shanghai.

Sept. 10.—Eurasia Aviation Corporation issued (Sept. 9) circular telegram, appealing to world public opinion against repeated Japanese air attacks on civilian planes in China.

Hankow-Kunmin (capital of Yunnan) service resumed yesterday (Sept. 9).

Sept. 10.—Officials of the puppet Peiping and Nanking regimes reported discussing plans in Shanghai for amalgamation of the two set-ups on October 10, China's National Independence Day. Japanese handicapped by jealousy among puppet Chinese officials. Japanese sponsors of the project also divided among themselves regarding advisibility of combining the two regimes.

It Was Sheer Agony

TORTURED WITH SCIATICA.

"My job on the Railway is very heavy and one is exposed to all weathers," states Mr. E. Wilson, of Gabalong, West Australia. "As a result I developed sciatica and every time I bent down it was sheer agony. Sharp, stabbing pains would catch me in the hip and down the thigh. My father had taken Dr. Williams' Pink Pills for the same trouble, and as they cured him, he told me to take them. After a few bottles I obtained great relief. The pains began to disappear and I felt easier in my limbs. Continuing with these pills I am now a different fellow, for the sciatica has vanished."

Dr. Williams' Pink Pills are excellent for sciatica, lumbago, neuritis, neuralgia and other nerve disorders, because they help to make rich, red blood, and this new blood, created in abundance, reaches the inflamed, starved nerves with the elements they need. The nerves become stronger, the inflammation subsides and the pains vanish.

Give Dr. Williams' Pink Pills an immediate trial, and experience for yourself the relief they bring. At all chemists. Say " Dr. Williams' "—and take no other.

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In the United States Court for China

FORTUNA R. AQUINO CANCIO, Plaintiff,
vs.
RAFAEL CANCIO, Defendant.

Cause No. 4356
Civil No. 2235
ORDER.
Filed at Shanghai, China, September 16, 1938
William T. Collins, Clerk.

The object of this suit is the dissolution of the bonds of matrimony between the parties hereto.

WHEREAS plaintiff herein, by her attorney, has this 16th day of September, 1938, made application for the substitution of publication for personal service of summons upon the defendant herein; and

WHEREAS it appears from the files of this case that on the 16th day of September, 1938, the summons for the defendant was returned by the Marshal of the United States Court for China "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 16th day of September, 1938, Fortuna R. Aquino Cancio, the plaintiff herein, filed an affidavit to the effect that the defendant herein was not residing in the Republic of China nor has he been within the jurisdiction of this Court during the last year previous to the 16th day of September, 1938;

NOW THEREFORE it is this 16th day of September, 1938, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "China Weekly Review", a weekly paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 8th day of October, 1938, the day of the last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court,

NELSON E. LURTON,
Special Judge.

New Books of Interest in the Far East

Literature for China

No Speedier Way, the Golden Jubilee Manual of the Christian Literature Society for China, Shanghai. Paper $0.80; cloth, $1.20.

The jubilee volume of the Christian Literature Society for China takes its name from a sentence in the annual report of Dr. Timothy Richard, in 1899: "We know of No Speedier Way of regenerating China than by use of such literature." Then, in ten chapters is unfolded one aspect of contemporary Chinese history which has had little publicity in published histories of the country, but much influence on millions of people.

For some years before the formation of the Society in 1877, many foreign missionaries believed that ignorance was at the root of China's decadence, that not only moral and spiritual problems could be solved by their message, but political and economic ones also. The sending of the printed message of the gospel, of modern science and philosophy, to enlighten the leaders so they could be better able to struggle with the moral, political and economic problems of the country, has been the work of the hundreds of devoted workers of the Christian Literature Society for fifty years and is the future task of the Society.

The Rev. A. J. Garnier, general secretary, presents an outline history of the Society, and a chapter on the early publications of the C.L.S. Mrs. Dr. MacGillivray, author of many books for Chinese children, tells what the Society has done for women and children, and gives an entertaining account of the travels of a C.L.S. manuscript from the time a person writes it until it has passed throughs the many hands of committee members, translators, printers, ready for distribution. Other chapters deal with the early work of the C.L.S. and its influence on the nation, its influence on the church and its work today, by the Rev. Evan Morgan, the Rev. F. R. Millican and the Rev. C. W. Allan.

A chronological list of periodical publications which have been such an important part of the work of the C.L.S. is presented, with valuable historical statements of editors, circulation and influence. This chapter is particularly valuable to all students of the journalism of China, for modern Chinese journalism was greatly influenced by some of the C.L.S. journals.

A pleasing feature of the book is the inclusion of many photographs of officers and editors of the Society, both past and present.

M. V.

Gem Cutting

"Gems: How To Know and Cut Them." By H. L. Thomson For Amateur and Student. California Graphic Press. 3230 Sunset Blvd., Los Angeles, Cal. $0.50 in the U.S.A. and $0.75 in Canada.

This is an interesting and instructive little work prepared for the amateur, showing simple methods of cutting and polishing semi-precious gem stones and mineral specimens. It presents the possibility of having a home lapidary and shows how satisfactory a hobby this amateur cutting of semi-precious stones would be. The equipment needed is tabulated even to the pair of tweezers, and most of the equipment is photographed in illustrations. It seems quite simple and possible.

One interesting table is of gems according to their hardness, beginning with talc and ending with the diamond. There is also a list of the principle stones found in California counties, and the table of Troy weight. While this little book was obviously prepared with the American student in mind, it should be of equal, if not greater, interest to anyone interested in semi-precious stones in China, where jade, turquoise-matrix, quartz, lapis and other precious and semi-precious stones are easily procured. The reviewer was greatly intrigued at one time by the extensive, if amateur, collection of a former missionary in China, now living in Egypt, who has made this his hobby for years. His moss agates have grown beyond the amateur stage, and some of them are museum pieces, for having lived in China he grinds and polishes so as to produce on these moss agates and flint stones minature scenes almost exactly like old Chinese paintings. For anyone beginning this hobby, this is the ideal text.

G. T. F.

Australian Fiction

Essays In Australian Fiction, by Barbard Eldershaw; published by the Melbourne University Press, Melbourne, Australia, pp 198, 6 shillings.

Essays in Australian Fiction is a small volume introducing the reader to the works of Eight Australian authors, many of them winners, with one or more volumes, of the Australian Literary Society's gold medal for the best novel of the year.

In depicting Australian life in its varied phases and other tales as colored by the author's style and method of presentation, the essays will find a welcome aside from their value as novels, by those living outside that continent.

Brief outlines of the stories and discussions of each author's skill and workmanship give a survey of modern Australian fiction. The well selected quotations add a great deal and create a desire to make a deeper acquaintance with some of the authors, but also create a wonder why some, as in the case of Christina Stead, were included.

Especially enjoyable are the quotations from Frank Dalby Davidson, giving the flavor of Australian life outside the large cities, the delicate sincere beauty of his treatment of the changes taking place in the bush and the clarity in the description of the incidents in his story of the taking of the Wells of Beersheba during the World War by the Australian troopers.

Australian Essays is one of the group of books on Australian Literature including essays and poetry being published by the Melbourne Press. Judging from the fiction presented in this brief book, including the works of Henry Handel Richardson, whose Ultima Thule became popular also in England and America, and Eleanor Dark, whose Prelude to Christopher was chosen as the Book of the Month by the *Evening Standard* in England on its publication there, this type of literature will contribute much in enjoyment in the future not only at home but in other English-speaking nations as well.

M. C.

French Journal Off Press

The lates issue of "La Revue National Chinese," dated July 1938. has just been published. Among the interesting articles it contains are not less than three by Mme. Chiang Kai-shek, one of which—on "Mother Day"—was written specially for this well-known review. There are also two articles by Dr. H. H. Kung, President of the Executive Yuan,—one reviewing the first year of the war and the second illuminating the financial situation of China. Of the other articles, an expose on the railway construction between Chungking and Chengtu, dealing also with the economic advantages which Szechwan Province is likely to derive from this railway, is of particular interest. A long and very detailed article on the water supply of the French Concession in Shanghai will be appreciated by Shanghailanders. The issue also contains quite a number of news on organizations and people in the public eye in the French Concession.

Alleged Pirate Leader Seized on Ningpo Ship

A plot to pirate a coaster was believed to have been unearthed with the arrest of an alleged pirate leader on board a Ningpo-bound ship, *Domei* reported last week.

The ship, operated by the Hwa Mei Steamship Company, an American-registered firm with its office in Shanghai, left Haimen Sept. 11, carrying both cargo and passengers for Ningpo and Shanghai. Before its departure the vessel, as usual, was thoroughly searched by the military authorities of that port. In one of the cabins the military officers' suspicions were aroused by a passenger who acted strangely.

A search of this man resulted in the discovery of a number of cards bearing the name of a notorious pirate leader wanted by the authorities. The man was removed from the ship and after questioning was said to have admitted that he was the priate leader. The purpose of his journey on the ship was alleged to be to map out plans for its seizure.

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Mrs. B. Barnet, of Toronto, had this experience: "My baby was terribly cross. I tried different remedies but nothing seemed to help. A neighbour suggested trying Baby's Own Tablets. I did and the baby slept nights and we got our sleep. He was good in the daytime. I cannot recommend Baby's Own Tablets too highly."

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Never be without Baby's Own Tablets. Sickness so often strikes in the night.

In the United States Court for China

HARVEY SANBORN WALSETH
Plaintiff,
vs.
ANNE STEWART WALSETH,
Defendant.

Cause No. 4358
Civil No. 2237
ORDER
Filed at Shanghai, China September 22, 1938.
WILLIAM T. COLLINS
Clerk

The object of this suit is an action for divorce for the dissolution of the bonds of matrimony between the parties hereto.

WHEREAS, plaintiff herein, by his attorney, has this 22nd day of September, 1938, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 21st day of September, 1938, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 21st day of September, 1938, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has she resided therein for more than six months last past from said date, and that defendant's last known address was c/o Lucette Fischer, 3511 Elliott Street, San Diego, California, U.S.A.

NOW, THEREFORE, it is this 22nd day of September, 1938, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most liekly to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 8th day of October, 1938, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:
Dated at Shanghai, China,
this 22nd day of September, 1938.

NELSON E. LURTON,
Special Judge.

This week's Bedtime Story by Domei

Chinese casualties in the two-week engagement in southeastern Honan with Japanese troops which culminated in the fall of Shangcheng and Kwangchow were placed by Japanese staff officers at 25,000, *Domei* dispatches from the front stated Sept. 20. This figure was arrived at by the finding of a total of 8,206 abandoned Chinese dead, the report said.

In the battle for Kwangchow, northwestern tip of the Chinese defense triangle, the Chinese abandoned 1,359 dead. In addition equipment left behind included one trench mortar, 90 rounds of trench mortar ammunition, four machine-guns, 13 light machine guns, 56 cases of machine-gun ammunition, 83 rifles, 3,300 rounds of rifle ammunition, 200 hand grenades, 3 motorcars, four telegraph apparatus, one radio apparatus, one small caliber mortar, more than 100 cases of mountain gun ammunition, and nine horse wagons.

Japanese losses included 17 dead and 55 wounded.

Further south, in the ragged ridges of the Tapieh range, the Chinese left behind 2,181 dead in the immediate proximity of Shangcheng alone. The Japanese took 138 prisoners. Equipment seized included 24 light machine-guns, 600 rounds of machine-gun ammunition, 284 rifles, 890,500 rounds of rifle ammunition, 690 hand grenades, 50 shovels, 690 reels of barbed wire, and 250 bags of cement.

Japanese losses were given as four dead and 620 wounded.

Police Lay Down "XV Commandments" For Hongkew Waitresses

Fifteen commandments, mostly consisting of "don'ts," have been laid down by the Japanese Consular Police for the guidance of owners and employees of cafes, restaurants, and bars in areas north of Soochow Creek, local Japanese newspapers reported this week. These rules of "night-spot conduct," the papers said, were made public in an official effort to promote the self-reform campaign launched in the local Japanese community. It has the approval of the Naval Special Landing Party.

Gambling, dancing, soliciting, and other practices tending to lower the "moral tone" of the establishments will be banned. Attention will also be paid to the maintenance of cleanliness and other health standards, according to the dailies. A warning against the activities of spies was also given at by the Landing Party command. Gathered at the Kabukiza Theater, N. Szechuen Road, Sept. 19 were 400 waitresses and other women workers, 22 male cooks and boys and 68 owners of eating and drinking establishments.

Police precautions against a possible infiltration of Chinese terrorists into Hongkew, on the eve of the Mukden Incident anniversary, Sept. 18, furnished Japanese authorities cunxpected data on the "incompleteness of the spiritual mobilization" among the local Japanese community, the *Shanghai Nippo* lamented.

An aggregate number of 2,000 persons, all Japanese since curfew for Chinese is enforced in north of the Creek areas at 9 o'clock, ran into the dragnet for suspicious elements spread by the Consular Police. The majority of those halted and questioned were men. "Eighty to ninety percent of these appeared to be under the influence of alcohol," the daily said. Women passersby were mostly taxi-dancers or cafe waitresses, the *Nippo* noted but failed to describe the percentage of inebriation among the latter.

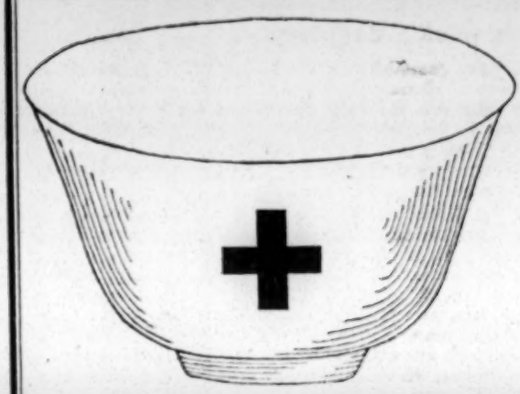
Southwestern Area Said Ceded To England

Two-fifths of a disputed area between Burma and Yunnan has been ceded to Britain by the Gen. Chiang Kai-shek regime, in return for which Britain pledged to give material assistance to the Hankow administration, according to unconfirmed reports in Tokyo, reported by *Domei*. The reports said an area west of the Mekong River had been ceded to England. In return for Chinese concessions England was said to have agreed to facilitate imports of munitions to China across the border between Yunnan and Burma, and to supply part of the funds needed for constructing roads and air fields in Yunnan. The reports also alleged that Britain would permit anti-Japanese propaganda to be fostered by Chinese in Burma, India and the Straits Settlements.

A Burma corporation was said to have already started to survey mineral deposits in the newly ceded area, while the Chiang Kai-shek regime was said to have dispatched a civil engineer to Rangoon last June to construct a motor road connecting Burma and Yunnan with the assistanee of the Burmese Government.

Sheds Light on What?

Editor's Note: This sheds some light on the eburnean reasoning of our reverberating friend with the Echo.—*Shanghai Evening Post & Mercury.*



The estimate is for a bowl 5" in diameter. Each pound of uncooked food will fill 6 bowls. Each bowl will hold 5½ ounces of cooked food.

HELP FILL THE REFUGEE BOWL WITH RICE

The Standard ration per 100 refugees is 82 lbs. dry cereals plus 14 lbs. of green vegetables.

When cooked a pound of dry food weighs 31 ounces, so that the average daily ration of cooked food per person is 25.42 ounces plus vegetables, salt and oil.

Supposing in 100 refugees, one-third of them are men, one-third women and one-third children, then

1. each man should get 6 bowls, or 32 ounces of food per day.
2. each woman should get 5 bowls, or 28 ounces of food per day.
3. each child should get 3 bowls, or 16 ounces of food per day.
4. invalids and babies are included in the census report and therefore their food can be used to supplement nursing mothers and pregnant women.

The total cost of food ration for 100 refugees per day is about $6.50.
For some 80,000 refugees now rationed by the S. I. R. C., a sum of $5,200 daily will be needed for food alone.
Unless you help, the bowl will remain empty.
Send your donation to the Director's Office, 505 Honan Road, Shanghai.

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The Day-To-Day Record of
"JAPAN'S WAR IN CHINA"

This interesting and useful book answers most of the questions about military and political developments concerned with the Sino-Japanese military crisis.

It shows how efforts were made to localize the conflict and prevent it from spreading, how the efforts nearly succeeded, and it points to responsibility for the failure.

It contains references to extent and value of property destroyed, references and suggestions as to American and other foreign policies as they developed to meet the various situations. In short, it answers most of the questions pertaining to details of the struggle and is an invaluable reference work for those who were here and observed various phases of the crisis—and for those who were not here, but are interested.

FEW PUBLICATIONS HAVE AROUSED SUCH GENERAL APPROVAL

Specifically it answers the following questions:

1. When and how the hostilities started.
2. Names of the chief leaders on both sides.
3. Early efforts to localize and prevent from spreading.
4. When and how the war spread to Shanghai.
5. Further efforts to localize and prevent from spreading.
6. How the war became general after September 1, 1937.
7. Various estimates on extent of property destruction.
8. Time and circumstances of the shooting of the British Ambassador, the bombing of the President Hoover, the sinking of the U.S.S. Panay and shelling of the British Gunboats Bee and Ladybird.
9. Yarnell Policy.
10. Fall of Nanking and Japan's terms for peace as submitted by the German Ambassador.
11. Maps—Hopei and Peiping area, Shanghai front, Peiping after a month, Hangchow Bay area, Longest Battle-line in World, Hangchow-Wuhu line.

The cost of the first volume is $2, including postage. Those purchasing the first volume will receive a special discount on succeeding issues. Please fill out the attached form and mail at once:

The second volume, completing the first full year of the war will be ready for distribution shortly.

THE CHINA WEEKLY REVIEW

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Shanghai

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